



FORWARD IN THEIR FOOTSTEPS

A Plan to Plant New Churches

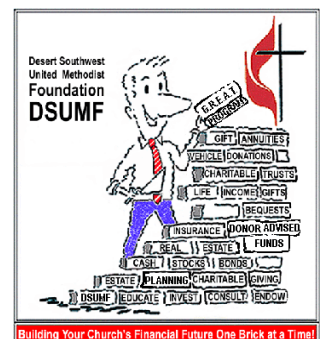
Prepared for:

**Desert Southwest Conference
Of the
United Methodist Church**

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HISTORICAL FACTS:

- The Desert Southwest Conference (DSC) of the United Methodist Church was established 21 years ago.
- Currently, the DSC's Cabinet includes: Resident Bishop Minerva Carcaño, and District Superintendents Rev. David Devereaux, Rev. Sharon Ragland, Rev. Tom Butcher and Rev. Michael Pearson.
- At year's end in 2005, there were 141 congregations in the DSC vs. 132 congregations in 1998.
- The total year-end membership of all congregations in 2004 was 43,979 vs. 49,318 in 1997.
- The total year-end average attendance in 2004 was 30,253 vs. 29,037 in 1997.
- Total revenue from all sources for all 141 congregations in 2005 was \$54,385,242 vs. \$31,300,000 for all congregations in 1997.
- The total number of giving units for all 141 congregations in 2005 was 26,981.
- The total apportionment payments made by all congregations in 2005 was \$5,222,349.
- Of the 2006 apportionments paid, 81% of all congregations paid apportionments at 100% or more.
- In the development of the DSC's 1998 Strategic Plan, over \$60 million worth of DSC capital needs were identified. The needs included funds for new church starts, deferred maintenance, and new buildings at our DSC residential camp sites, and funds for revitalizing targeted churches.
- In May of 1998, a formal, pre-capital campaign, Feasibility Study was commissioned from professional fundraising counsel. Counsel proposed a \$4 million goal for a conference-wide capital campaign. The proposal was rejected as both lay and clergy leadership believed the DSC was capable of raising so much more money.
- A Special Session of the Annual Conference was conducted in January of 1999 to discuss the launch of a conference-wide fundraising campaign. The capital campaign was approved.

- After receiving a variety of proposals and listening to a few presentations, from professional fundraising firms, Community Counselling Service, Co., Inc. (CCS) was retained as counsel to conduct a campaign.
- CCS placed a Senior Executive Director on site in May 1999 for six weeks of planning activities.
- The previously approved Case Statement for the “Crossing the Bridge” capital campaign was revamped, finalized and approved during Annual Conference 1999. The “Bold in Christ” capital campaign was launched. Income from the campaign was to be allocated to New Church Starts, Camping, and Revitalization on a 53%, 34%, and 13% basis respectively.
- According to the original “Bold in Christ” Action Plan, all solicitation phases of the campaign were to have been completed by March 2001. By May 31, 2003, 20 of the congregations had not participated in the campaign, another 23 achieved less than 10% of their goals, another 40 churches achieved between 10% and 50% of their goals.
- At one point, the total “Bold in Christ” goal, determined by commitments made by pledges from major donors and covenants signed by church representatives was over \$16,000,000.
- By May 2001, several churches reneged on their commitments. Therefore, the final “published” goal, including pledges from major donors and churches was reduced to \$9,400,743.
- Of the \$9,400,743 goal, \$4.4 million was pledged by major donors.
- Including credit issued to churches for Major Gifts made by members of participating churches, eleven churches achieved collection rates of 100% or more on their goals. Five congregations were not expected to participate in the campaign, but they did, and their contributions totaled \$15,337. These five congregations were given credit for 100% collection rates. One congregation collected 98% of their goal; seven congregations achieved collection rates between 80% and 89%; ten congregations achieved collection rates between 70% and 79%. Seven congregations achieved collection rates of between 50% and 69%, and 84 congregations achieved collection rates of less than 50%, or did not participate at all. In summary, 41 congregations (32.8%) achieved 50% or more of their goals; 84 congregations (67.2%) achieved less than 50% of their goals or did not participate at all.
- Except for major donors who opted for 5-year pledge payment plans, all “Bold in Christ” collections were to have been completed by March 2001. As of October 2006, collections still continue. Less than \$50,000 additional funds are expected by 12/31/08. As of 12/31/06, \$8.2 million was collected resulting in an 87% collection rate on the reduced goal of \$9.4 million.

- From “Bold in Christ” income, over \$675,000 was spent on Congregation Revitalization efforts for 20 congregations, and support for the Sidewalk Sunday School Program
- From “Bold in Christ” income, over \$2,725,000 was spent for support of Outdoor Retreat Ministries. Three new retreat centers and a new well were built at the Mingus Mountain facility. One retreat center and a manager’s residence were built at the Potosi Pines facility. A new maintenance building and other building upgrades were completed at the Pine Canyon facility.
- From “Bold in Christ” income, over \$3,325,000 was spent to support nearly 30 new church starts. Some of these new church starts have become fully chartered churches. Others are financially self-sufficient. Only 4 of the 30 new church starts did not materialize; this translates into an 86.6% new church start success rate.
- An additional \$939,000 from the “Bold in Christ” income is either committed or allocated for support of the three aforementioned priorities.

INTRODUCTION

Clark County, Nevada and Maricopa County, Arizona are within the boundaries of the DSC of United Methodist Church. In terms of population growth, Clark County, Nevada and Maricopa County, Arizona have been two of the fastest growing counties in the United States for several years. According to the US Census Bureau, Arizona has grown by 1 million people since 2000. Nevada has grown by an estimated 500,000 people since 2000. There is approximately one United Methodist Church for every 7,000 people in the U.S. In Arizona, there is approximately one United Methodist Church for every 53,000 people. In Clark County Nevada, there is approximately one United Methodist church for every 122,000 people. APS, which is one of two major electric companies in Arizona, added over 41,000 new customers since January 2006 alone!

It is true that millions of dollars from the “Bold in Christ” campaign were spent to support nearly 30 new church starts. It is also true that short-term campsite maintenance and facility needs were largely satisfied with income from the “Bold in Christ” campaign. However, because of the tremendous population growth in our DSC communities, the need for planting new congregations in the DSC is greater today than it was five years ago. The population in our communities is expected to continue its dramatic growth into the foreseeable future. The need for new United Methodist churches grows accordingly.

We have not kept up with demand due to a lack of funding.

From July to September 2005, a Strategic Direction team gathered to define a process of ongoing planning, action, and review of the future ministry of the DSC of the United Methodist Church. Step One in this process involved soliciting and analyzing data and evaluative input from Covenant Council Ministry Team Leaders, District Superintendents, and our Resident Bishop. The purpose of this step was to determine: 1) the most significant achievement of the

DSC in the last 5 years, and 2) the most important activity for the DSC to pursue in the next 4 years.

From September to November 2005, the Strategic Direction team began a Visioning Process and worked to develop and affirm a Mission Statement for the DSC. During this time frame, 10 drafts of a Strategic Direction, which involved a focus on 3 priority areas and 3 powerful strategies for each, were presented to the Covenant Council or its representatives. The Strategic Direction team established a "Listening Period" from December 2005 to February 2006 in order to seek feedback from churches, districts, agencies and other committees of the DSC. The final draft of the Strategic Direction was adopted by the Covenant Council in May 2006. The new Strategic Direction is called "A Commitment of Faith."

"A Commitment of Faith" was unanimously adopted at Annual Conference in June 2006. The Strategic Direction is deliberately focused on the mission to "Make Disciples of Jesus Christ." The Strategic Direction identified three priorities to enable members, churches and the DSC to live into our mission of making new disciples of Jesus Christ. Each priority has an associated set of measurable objectives by which progress towards living into our mission can be assessed.

The priorities of our Strategic Direction are to develop and encourage an ongoing culture of:

1. Social Holiness,
2. Leadership Development, and
3. Planting New Churches and Communities of Faith.

The Strategic Direction Team and the process they used to develop the current version of the Strategic Direction confirm the DSC's desire to start new communities of faith and new congregations.

Based on the original commitments made by churches in the "Bold in Christ" campaign, it is safe to say the **potential** to fund the need to plant new churches exists. The **willingness** of a majority of the churches in the DSC to commit to our mission needs to be determined. It is time to begin another campaign to raise funds to enable us to live into our mission as Christians, and as United Methodists. It is time for each of us to renew our Christian Covenant to faithfully participate in the ministries of the church by our prayers, our presence, our gifts, and our service, that in everything God may be glorified through Jesus Christ.

***It Is Time To Fulfill Our Covenant To
Follow In The Footsteps Of Jesus Christ.***

THE CAMPAIGN

STRUCTURE:

It is planned that the Desert Southwest united Methodist Foundation be retained as fundraising counsel for the In Their Footsteps Campaign. As counsel, DSUMF will be responsible for maintaining all phases of the campaign.

It is planned that the DSC Program Cabinet will also become known as the In Their Footsteps Campaign Steering Committee. This Committee will assume the day-to-day decision-making responsibilities associated with campaign administration. Day-to-day decisions that are to be made by the Steering Committee will be presented by counsel.

It is planned that the DSC Covenant Council will also become known as the Campaign Committee. This body is to assume all policy-making responsibilities associated with the campaign.

PHASES:

In order to be worth the time, effort, and expense of conducting a conference-wide fundraising campaign, a campaign goal should be at least \$10 million. The In Their Footsteps Campaign will be conducted in three phases:

- Phase 1: Bishop's Major Gifts
- Phase 2: Every Congregation, Every Member
- Phase 3: G.R.E.A.T. Program

An actual goal for public consumption should be announced after the results of the Bishop's Major Gifts Phase and after the goal setting activity for the Every Congregation, Every Member Phase is tallied. The goal can be announced in October 2007. Approximately 6 to 9 months after the Every Congregation, Every Member Phase has been completed; the final phase, called the G.R.E.A.T. Program will begin.

CAMPAIGN TIMETABLE & GOAL RANGES

<u>PHASE</u>	<u>TIME FRAME</u>	<u>Range of Goals</u>
1. Bishop's Major Gifts	October '06 – December '07	\$5 to \$12 Million
2. Every Congregation, Every Member	July '07 – May '08	\$5 to \$12.5 Million
3. G.R.E.A.T. Program	September '08 – December '08	????

“BISHOP’S MAJOR GIFTS PHASE”

The Bishop’s Phase of the “Bold in Christ” campaign was very successful. It generated more than 50% of the total income actually collected. The \$4.4 million generated via the Bishop’s Phase of the “Bold in Christ” Campaign came from six people. Out of more than 26,000 giving units in the DSC (according to 2005 statistical tables), surely there are more than six people who are able and willing to make new disciples of Jesus Christ through their prayers, their presence, their gifts, and their service! DSUMF believes this phase of the campaign is the most critical phase of the campaign. A very successful Bishop’s Major Gifts Phase will set the tone for the rest of the campaign. A very successful Bishop’s Major Gifts Phase, if managed properly, will enable the DSC to plant new churches into perpetuity. The Bishop’s Major Gifts Phase should set an internal, unpublished goal of between \$7.5 million and \$12 million.

It is planned that the first dollars received from the Bishop’s Major Gifts Phase be set aside to pay for all campaign expenses. This plan will enable campaign leaders and subsequent marketing materials to claim that 100% of the gifts in the “Every Congregation, Every Member” phase will be used for intended purposes.

It is further planned that \$500,000 of these “first dollars in” be set aside to endow an academic Chair in Health and Sciences at Africa University. This plan will demonstrate the DSC’s commitment to ministry outside of our territorial boundaries.

It is further planned that 50% of the remaining gifts (up to \$4 million) achieved in this phase of the campaign will be used to create an endowment fund, the earnings from which shall be designated for new church planting activities. The other 50% of these first \$4 million will be used for immediate needs to start new churches. Creating and endowing new church start fund will satisfy Objective 3 of the Strategic Direction’s priority to plant new churches and communities of faith. Depositing Major Gifts into the “Planting New Churches Endowment Fund” will enable the solicitor to tell Major Gift donors that their contributions will be managed in such a way that their gift will keep on giving into perpetuity. This plan will also provide a “naming” opportunity for the donor/solicitor. The DSUMF will assess its normal investment management fee to this endowment fund upon its creation.

It is finally planned that no church be given “credit” towards their self-identified congregational goal with gifts made by members who commit Major Gifts to Bishop Carcaño during the Bishop’s Major Gifts phase of the campaign. This plan is based on the assumption that Major Gift donors typically do not make such gifts to their local churches. Instead, Major Gift donors typically make such gifts to “Big Goal, Big Concept” campaigns that have maximum exposure and naming opportunities, like the “In Their Footsteps” Campaign.

Assuming an annualized rate of return of 10% on the Planting New Churches Endowment Fund, and assuming a minimum corpus of \$10 million, earnings would be in the \$1 million range annually. Using our current new church start model, these funds would be sufficient to plant 4 new churches every year for the foreseeable future.

The beginning of the Bishop's Major Gifts Phase will involve the identification of individuals with potential to make gifts above \$25,000. Identification of these individuals will be made by Cabinet, Clergy and Lay leaders throughout the DSC. Experience indicates that Major Gift donors often times are surfaced during all phases of a major campaign. However, all solicitation activities from October 2006 to December 2007 will be dedicated towards identifying, contacting, soliciting, and achieving gifts above \$25,000. Prior to the solicitation of Major Gifts, marketing materials will be developed.

BISHOP'S MAJOR GIFTS PHASE	TIME FRAME
Identify Prospects	October 2006 – December 2007
Create & Produce Marketing Materials	October 2006 – March 2007
Identify Appropriate Solicitation Teams	March 2007 – May 2007
Train Solicitation Teams	February 2007 to May 2007
Schedule Solicitation Dates	Ongoing
Personalize & Send Solicitation Materials	Ongoing
Conduct Solicitations	Ongoing
Commission DVD	Complete by February 15, 2007

“EVERY CONGREGATION, EVERY MEMBER PHASE”

The “Congregational Phase” of the “Bold in Christ Campaign” started off with great success. This was called the “Pilot Congregation” phase. The Pilot Congregation Phase tested both the campaign design and materials in churches that represented a variety demographic settings including: rural, urban, small, large, retired, working, “White Collar,” and “Blue Collar.” There were seven churches in the Pilot Phase of the campaign; their goal was \$710,885. These churches followed the fundraising process prescribed by counsel, achieved pledges exceeding their goals and achieved, on average, 80% collection rates on their elevated goals.

This phase of the “Bold in Christ” campaign was the most successful of the four congregational phases on almost every criterion including 1) participation level, 2) staying on schedule, 3) number of members who “heard the story,” 4) number of giving units participating, 5) amount of gift per giving unit, and 6) pledge collection rate.

What worked well in this phase of the “Bold in Christ” campaign needs to be replicated as much as feasible in the new campaign. The key factors leading to the success of the Pilot Phase were the following:

1. The churches volunteered to participate,
2. The “Band Wagon” effect achieved by marketing and promotional activities were at a high point during the “kick-off” activities at these churches,
3. The churches did not deviate from counsel’s prescribed plan, and
4. Counsel provided very intentional “hands-on” support for each of these “mini” congregational-based campaigns.

The congregational phases called the Bloc I, II, and III phases of the “Bold in Christ” campaign were not as successful as the Pilot phase because:

1. These phases included churches that didn’t really want to participate.
2. Churches in these phases of the Bold in Christ campaign did not appreciate the “top down” approach to goal setting where an overall campaign goal was established and individual church goals were determined to be a portion of the overall goal via application of the “grade figure formula.”
3. These phases were started at times when the “Band Wagon” effect had long worn off.
4. These phases were conducted after a Clergy Committee conducted a process whereby churches appealed their goals, and/or their kick-off dates, and/or their participation.
5. Churches participating in these phases seriously deviated from counsel’s prescribed fundraising plans.

To replicate the success achieved in the Pilot Phase of the “Bold in Christ” campaign, and to reduce or eliminate the problems associated with the Bloc I, II and III phases, DSUMF, as counsel, plans to conduct a congregational-based campaign in every participating church through out the DSC. This will be accomplished first by permitting each church to set its own goal. Counsel will attempt to acquire “buy-in” with each church by conducting a Goal Setting Session with every congregation in the “Every Congregation, Every Member” Phase of this

campaign. These goal setting sessions will be conducted with clergy and lay leadership of each church via teleconference / video conference. The goals of these sessions will be to determine:

1. A congregation's commitment to participate,
2. A fundraising goal ranging from a low of 5% per year for three years, to a high of 100% per year for three years of a congregation's net annual income* as calculated by adding
 - a. The amount received through pledges,
 - b. The amount received from non-pledging giving units, and
 - c. The amount received from unidentified giving units.

* Net annual income for a church does not include other income sources such as funds received from building use fees, Cell Phone Towers, Charter Schools, Day Care operations, other fundraisers, capital campaigns, bequests, earnings from investments, etc.
3. Volunteer leadership to assist with campaign activities,
4. A kick-off date for "Every Congregation, Every Member" Phase participation,
5. A kick-off date for GREAT Program Phase participation.

"EVERY CONGREGATION, EVERY MEMBER" PHASE	TIME FRAME
Goal Setting Sessions	July 2007 – October 2007
Develop Fundraising Kit for Type I Campaign (Goal set below 49% of annual income)	July 2007 – December 2007
Develop Fundraising Kit for Type II Campaign (Goal set between 50% - 99% of annual income)	July 2007 – December 2007
Develop Fundraising Kit for Type III Campaign (Goal set 100% or above of annual income)	July 2007 – December 2007
Identify & Recruit Kick-Off Teams	July 2007 – December 2007
Kick-Off Training Events to coincide with Bishop's "Footsteps" Tour	October 2007 – December 2007
Bishop's "Footsteps" Tour	Early January 2008
Kick-Off Events	Mid-January 2008 to Mid-April 2008
Wrap-Up	May 2008 – June 2008
Announce Results	Annual Conference 2008

“G.R.E.A.T. PROGRAM PHASE”

The original fundraising proposal for the “Bold in Christ” campaign prepared by CCS called for a final phase that would provide members the opportunity to give through “planned gift vehicles.” Such a phase enables donors to give from their asset base in addition to giving from their annual income stream. This phase was never conducted because: 1) it was assumed that this type of fundraising would not produce immediate gifts, and 2) there was no specific plan developed to implement such a phase.

As counsel for the “In Their Footsteps” Campaign, the DSUMF has developed the G.R.E.A.T. Program to address each of these problems. The term “G.R.E.A.T.” is an acronym which stands for **Give, Receive, Endow, And** it is **Tax-deductible** too!

The “**Give**” part of this program is designed to employ the most popular deferred giving vehicle in use in the U.S. today. It is the Charitable Gift Annuity (CGA). The CGA is a contract between a donor and the DSUMF. A donor most often will use stocks, bonds or mutual funds to make a Charitable Gift Annuity, thus, this gift comes from a different source of funds than the income source used by donors to make gifts in the “Every Congregation, Every Member” Phase of the campaign.

Appreciated securities paying low dividends or interest rates are perfect assets to fund CGAs because the donor will avoid about 50% of the capital gains taxes on such assets as compared to selling and re-investing them outright. In addition, the remaining capital gains taxes that are due when used to fund a CGA are spread out over the donor’s lifetime.

In a normal CGA scenario, the donor’s gift is invested. Payouts are distributed to the donor for their lifetime. After death, the amount of funds remaining in the donor’s CGA account (residuum) are distributed to the church, or mission activity designated by the donor at the time the gift is made. Lifetime payout rates to donors are determined by the donor’s age at the time of the gift.

In the “**Receive**” part of this program, the church will receive income, and donors will receive income too! The G.R.E.A.T. Program is designed to immediately return 50% of the funds donated via CGA contracts to the donors’ church upon the church’s completion and approval of an action plan detailing how the church will live into the priorities of the Strategic Direction. The remaining 50% (less 1% processing fees) of the donated funds will be placed into an “Investment Pool.” The pool will be invested in the DSUMF’s socially screened, actively managed, well-balanced, diversified, low-risk portfolio. There will be no investment fees assessed to this G.R.E.A.T. Program Investment Pool during the distribution phase, when payouts to donors are being made.

Payouts to donors will be made from the church’s G.R.E.A.T. Program Investment Pool. In addition to the church’s receipt of 50% of all gifts made, donors will receive a fixed income. Donors’ payouts will range between 5.5% and 7.0% times the amount of their original gifts, depending on the average age of the participating group.

Payouts will be distributed in equal, semi-annual installments at the end of March and September of each year. Some of the donor’s annual income will be tax-free income. The actual amount of tax-free income vs. ordinary taxable income depends on the donor’s age at the time of the gift. The DSUMF will provide year-end, 1099-R Statements for each G.R.E.A.T. Program participant every January.

DSUMF’s annualized rate of return since 1985 is 10.56%. Therefore, we fully expect to be able to honor our obligation to make semi-annual distributions during the distribution phase of the G.R.E.A.T. Program at rates between 5.5 and 7.0%, even though we will only have 49% of the total raised in the Investment Pool to work with. We also fully expect there to be residuums in most donors’ CGA accounts at the end of the distribution phase of this Program.

Funds remaining at the end of each congregation’s G.R.E.A.T. Program will be added to the **“Planting New Churches Endowment Fund.”** The Endowment Fund shall be invested by the DSUMF. After all CGA remainders are placed into the Planting New Churches Endowment Fund, DSUMF will begin to assess its standard investment management fee to this portion of the Endowment Fund.

If a donor passes away before the end of the distribution phase of their congregation’s G.R.E.A.T. Program, their residuum will be retained in the investment pool until the Program’s end so as to provide extra insurance that the DSUMF will be able to fulfill its distribution phase obligations.

All gifts to this program are partially tax-deductible. Deductions will range from 29% to 50% of the gifted amount, depending on a donor’s age at the time of the gift. The actual amount of a donor’s deduction will be calculated using the proper IRS formula. The formula includes many factors, such as date of gift, age, and gender of donor, federal mid-term interest rate, etc.

While the program is designed to involve a group of people at the same time, and the payout rate will be determined by the average age of the group, each donor’s income tax deduction will be different than the next donor’s deduction. As always, a donor must itemize on their tax returns to claim a deduction, and donation ceilings of 30% or 50% of Adjusted Gross Income apply for gifts of property or cash respectively.

“G.R.E.A.T. Program” PHASE	TIME FRAME
Goal Setting Sessions	July 2007 – October 2007
Kick-Off Dates Set	July 2007 – October 2007
Kick-Off Events	September 2008 – November 2008
Wrap-Up	December 2008
Announce Results: 1) Total Returned to Qualifying Churches 2) Projected \$ to be added to Planting New Churches Endowment Fund	December 2008

METHODOLOGY

Campaign fundraising is not rocket science, but there are certain actions and fundraising techniques that are essential to conducting a successful campaign.

Success in Phase I, the “**Bishop’s Major Gifts**” phase of the In Their Footsteps Campaign will be achieved when:

1. Cooperation from clergy and lay leadership to identify potential donors is achieved,
2. Solicitors approach the donor with confidence and pride in the mission rather than with doubt and apology for taking the donor’s time,
3. The right person asks the right person for the right amount of money at the right time the right way.

Solicitation effectiveness diminishes as one moves down the scale from one to six (below) in solicitation techniques:

1. Personal Visit **(Most Effective)**
2. Personal Letter with Postpaid Return Envelope
3. Personal Telephone Call
4. Generic Letter
5. Impersonal Telephone Call
6. Media Advertising **(Least Effective)**

Solicitation of Major Gifts will employ a combination of media advertising, personal letter with postpaid response envelope, personal telephone call and a personal visit.

METHODOLOGY (Continued)

Success in the “**Every Congregation, Every Member**” phase of the In Their Footsteps Campaign will be achieved when:

1. Every congregation chooses to participate,
2. Every congregation plays an important role in setting their own fundraising goals,
3. Every congregation confidently embraces and employs the fundraising plan designed for them, which will be based on the goal they set for themselves,
4. Every member is given an opportunity to decide whether to participate in their congregation’s campaign or not, and
5. Every congregation employs active, committed congregational leadership from both lay and clergy.

METHODOLOGY (Continued)

Success in the “**G.R.E.A.T. Program**” phase of the In Their Footsteps Campaign will be achieved when:

1. A majority of congregations choose to participate,
2. Congregational leadership understands that gifts from members participating in this phase of the campaign comes from a huge, heretofore untapped funding base available to congregations, and that these types of gifts will not detract from a member’s annual gift commitment to their church,
3. Congregational leadership confidently embraces and employs the fundraising vehicle designed for this phase of the campaign,
4. Every member is given an opportunity to decide whether to participate in this phase of the campaign or not, and
5. Every congregation employs active, committed congregational leadership from both lay and clergy.

PLEDGES / PLEDGE COLLECTION

Donors participating in the “**Bishop’s Major Gifts**” phase of the campaign will be asked to make pledges that will be fully paid by the end of a 5 year time period. Donors will be asked to provide 10% of their gift immediately.

Donors participating in the “**Every Congregation, Every Member**” phase of the campaign that make pledges over \$10,000 will be asked to make their pledges paid in full by the end of a 5 year time period. Donors will be asked to provide 10% of their gift immediately.

Donors participating in the “**Every Congregation, Every Member**” phase of the campaign that make pledges under \$10,000 will be asked to make their pledges paid in full by the end of a 3 year time period. Donors will be asked to provide 10% of their gift immediately.

Donors participating in the “**G.R.E.A.T. Program**” phase of the campaign will be required to transfer pledged gifts within 1 month after the G.R.E.A.T. Program kick-off conducted at their church site.

All donors will be asked to give “**10% down**” on their pledges immediately, regardless of whether their gifts are to be paid in full over a 3 year or 5 year period of time.

As counsel, DSUMF will hire one, full-time, “contract” employee (without benefits) to work for 18 months beginning July 2007 and ending on December 31, 2008. This contract employee, the Campaign Assistant, will be paid a salary out of the campaign’s “Expense” Budget” at a rate of between \$15.85 to \$17.30 per hour depending on the individual’s qualifications. The Campaign Assistant will work out of the DSC Center. Among other responsibilities, the Campaign Assistant will operate the campaign’s pledge collection process using the DSC’s Shelby software.

FLEXIBILITY

It is recognized in any major campaign that all components of the plan may not operate exactly as anticipated. Congregations have their own needs; they may be in some phase of their own capital needs campaign. A congregation may be in a state of change and uncertainty in their life cycle. Each congregation’s special set of circumstances will be identified, reviewed and handled individually during the Goal Setting Activity of the “Every Congregation, Every Member” Phase of the campaign. As counsel, DSUMF will communicate each congregation’s special set of circumstances with the Campaign Steering Committee (Program Cabinet), and the Campaign Committee (Covenant Council). Together, counsel, the Steering Committee and the Campaign Committee will take each church’s special set of circumstances into consideration while facilitating a church’s fair and appropriate goal for support of the “In Their Footsteps” campaign.

FEES / BUDGET

Even though it is separately incorporated from the DSC, the DSUMF considers itself a part of the DSC. We understand the DSC budgeting process and know that there are not enough DSC contingency funds available to absorb both campaign expenses and consulting fees at this time.

We hope the Steering Committee and the Campaign Committee will recognize that the "Bishop's Major Gifts Phase" is the most critical phase of the campaign and that it needs to begin NOW. As a "good faith team member," we also hope the Steering Committee and the Campaign Committee will recognize that DSUMF will complete major work between now and July 2007 without remuneration.

As counsel, DSUMF plans for a Campaign Expense Budget of \$212,000 as detailed below. Please note that DSUMF proposes initial campaign expenditures to go towards the production of marketing materials and prospect research and not towards consulting fees.

Because DSUMF considers itself part of the DSC team and because we understand cash flows associated with campaigns, we are willing to delay the billing of our Consulting Fee until the DSC has actually received funds from the "Bishop's Major Gifts Phase" of the campaign. DSUMF, in order to reduce demands on the DSC's cash flow, is also willing to invoice its Consulting Fee over a period of 24 months instead of 18 months.

Therefore, the DSUMF's consulting fee of \$320,000 to conduct this campaign will be payable in 24 equal monthly installments of \$13,333.33 beginning on July 1, 2007 and ending on June 30, 2009. The grand total for both the Campaign Expense and the consulting fee will be \$532,000.

**IN THEIR FOOTSTEPS CAMPAIGN
PRELIMINARY BUDGET**

Budget Item	2006	2007	2008	2009	TOTAL
DVD Production/Duplication	\$15,000.00	\$ 25,000.00	\$ -	\$ -	\$ 40,000.00
Equipment	\$ -	\$ 5,000.00	\$ -	\$ -	\$ 5,000.00
Furniture	\$ -	\$ 2,000.00	\$ -	\$ -	\$ 2,000.00
Postage	\$ -	\$ 4,500.00	\$ 30,000.00	\$ 600.00	\$ 35,100.00
Printing	\$ 5,000.00	\$ 20,000.00	\$ 5,000.00	\$ -	\$ 30,000.00
Rent	\$ -	\$ 2,700.00	\$ 5,400.00	\$ 2,700.00	\$ 10,800.00
Salaries	\$ -	\$ 18,000.00	\$ 36,000.00	\$ -	\$ 54,000.00
Supplies	\$ -	\$ 500.00	\$ 500.00	\$ 200.00	\$ 1,200.00
Telephone	\$ -	\$ 5,250.00	\$ 500.00	\$ 250.00	\$ 6,000.00
Travel	\$ 1,000.00	\$ 8,000.00	\$ 10,000.00	\$ 200.00	\$ 19,200.00
Cell Phone	\$ -	\$ 1,100.00	\$ 1,800.00	\$ 600.00	\$ 3,500.00
Meeting Expense	\$ -	\$ 400.00	\$ 700.00	\$ -	\$ 1,100.00
Miscellaneous	\$ -	\$ 300.00	\$ 1,000.00	\$ 300.00	\$ 1,600.00
Prospect Research	\$ 2,500.00	\$ -	\$ -	\$ -	\$ 2,500.00
Total Operating Budget	\$23,500.00	\$ 92,750.00	\$ 90,900.00	\$ 4,850.00	\$212,000.00
Consultation Fee		\$ 80,000.00	\$160,000.00	\$80,000.00	\$320,000.00
Grand Total		\$172,750.00	\$250,900.00	\$84,850.00	\$532,000.00