

Christian Academy in Japan

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Recommendations for a Funding Plan  
2011 to 2013

Steve Jensen, CAJ Class of 1974  
Higashi Kurume Shi, Japan  
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## Introduction

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Christian Academy in Japan was founded sixty one years ago soon after the country had begun rebuilding from the effects of a war that devastated the infrastructure, economy, and hearts of the people. During the war, young men sacrificed themselves for a cause they believed to be divine. Firestorms swept through their cities. Thousands died from starvation and disease. Finally, nuclear horror struck two of its cities and the nation ended its nightmare in shame.

Now decades later, Japan was struck by its largest earthquake in history which spawned a tidal wave of destruction and placed the country in nuclear peril. As of this writing, there are nearly 15,000 dead and another 9,000 missing. Hundreds of square kilometers of communities are lost. The financial impact of the events is staggering. And the emotional and spiritual effects are incalculable. And CAJ is feeling the effects of this latest disaster. We are not an isolated, insulated community here. We are either citizen by birth or citizens by virtue of our compassion for this land we call home.

And we believe our school is here at a critical time in the country's history and has an ever greater responsibility—and opportunity—to fulfill its mandate. The Japanese missions community needs a vibrant Christian school that is founded on Biblical principles and which teaches a Christian worldview. To that end, CAJ is instituting a plan to ensure that all of our current students can afford to be here while at the same time preparing the school for future growth in enrollment and the advancement of its staff and programs. Our assistance to current deserving families needs to be increased so that they can stay in school, our financial capacity to educate more students needs to be enhanced, and our staff needs to be compensated in such a way that they can minister without undue hardship.

To that end, the Board of Directors has authorized a campaign to raise \$450,000 through 2013. Such a campaign is an important first step in helping to fulfill the school's mandate and to be prepared for new opportunities. Of the stated goal, \$250,000 would be designated for endowment and \$200,000 would be used to cover the tuition assistance provided to families in 2012 and 2013.

The following plan is proposed to accomplish these objectives.

God has provided what CAJ has required throughout its history. He will continue to do the same as there is never a mission He desired to be fulfilled without the attendant resources of time, people, and finances to accomplish the mission. The school now needs to step out in faith again and organize a clear and sustained way for donors to enjoy being part of God's provision. As a development program, there are some strong elements that will help the donors see the need be a part of a vibrant mission. But there are also some weaknesses that would keep the school from adequately communicating the need and appreciating donors in a satisfactory manner.

Strengths of the development ministry include:

- Dedicated staff

- A potential donor constituency that, for the most part, is favorable to the school

- A publications department able to produce needed materials

- A compelling story and a financial need

Weakness of the development ministry include:

- Disorganized donor data management that does not provide needed confidence for the leadership team so that they can know who the donors are or whether or not donors have been acknowledged in a timely and appropriate manner.

- Potential conflict of interest in the JCAA-CAJ relationship as it currently structured.

- Lack of clear responsibilities of staff engaged in funding activities lack of a defined development department.

- Absence of regular, clear, and compelling messages to potential and current donors as to the needs for funds and how the donations would be used.

## Summary of Initiatives

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Implementing a development program involves decisions, activities, and personnel on multiple fronts. Key initiatives that summarize these aspects of development should be pursued and used as a template for evaluating the effectiveness of the school in this area. These are summarized in the form of questions, each having implications for decisions and actions:

- ☐ Are we confident that each donor and potential donor's information is captured accurate and updated as needed?
- ☐ Are we confident that each donation is accounted for, appreciated promptly, and designated to the appropriate need?
- ☐ Is our message regarding the school's mission and need for support compelling and clear?
- ☐ Do we know who our alumni are and have documented histories about them?
- ☐ Are we reaching our varied school audiences with information and motivation that matches their interests?
- ☐ Does each person on the development team buy into the ministry of development, understand their role, feel confident as to their abilities, and working well with others on the team?
- ☐ Are the print and electronic materials produced by the school useful in the development process both in content, frequency, and mode of delivery?
- ☐ Does the Board and leadership, as well as the donors, have a clear understanding of the use of the funds received?
- ☐ Are the fundraising activities effective in their use of time and resources to achieve the stated goals of each activity and of the entire funding program?

## Objective

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Based upon the analysis of the pro forma budget conducted by the school to meet the governmental regulations applicable to the school's status, an additional \$450,000 needs to be raised by the school as part of its liquid assets. The total required liquid assets is approximately \$2,000,000. There are no specific governmental requirements as to how the assets are to be held nor how they are categorized by the school.

At the same time, the school needs to raise funds to fulfill current tuition assistance needs of its families. The school also needs to be in a position to enable more families to be able to afford an education here. A strong tuition assistance program, backed by an endowment fund, would meet those current and future needs.

It is proposed that the objectives of the funding plan be stated as follows:

*Raise \$450,000 in support from current donors, parents, alumni, churches, and other interested parties between now and the Fall of 2013. \$200,000 will be used in 2012 and 2013 to provide tuition assistance. \$250,000 will be set aside in an endowment fund established by the school for future tuition assistance needs.*

Having a well-defined objective brings clarity to potential donors. But clarity is just one part of development. The ministry's cause must be compelling and an emotional connection needs to be established with the school's audience. They need to be concerned with more than financial objectives. They need to feel a part of something has vision and is growing.

To develop a campaign message, it is recommended that leadership look at the school's history but also at what those in leadership see as important for the school. The following kinds of things were mentioned as core values and desires for the school during the time spent with the Headmaster and the Business Manager.

- Appreciate the rich heritage and traditions of the school
- Desire for student and school community to develop the value of service
- Seek a vibrant and growing student and staff
- Recognize the unique opportunity in history that CAJ finds itself
- Biblical integration practiced in all aspects of learning and living

The development campaign needs a brief description that captures the life of the school and connects with the potential donor at an emotional level as to what the school has done and hopes to accomplish. Such a description can be used throughout the life of this current campaign in articles, brochures, letters, etc. The following are two examples of how to connect the school's heritage with how the school hopes it will be characterized and how it fits with the overall mission of the Christian community in Japan:

*CAJ: Deeply rooted in tradition, growing in grace, and seeking to serve.*

In addition to a verbal description, a compelling image that supports evokes position emotions and captures the essence of the school's heart would be helpful. A lone matsu clinging to a rocky outcrop, for example, contains numerous elements such as rootedness, perseverance, growth, graceful beauty. This picture would be especially poignant given the recent tsunami and the survival of these enduring pines.

## Audiences

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It is recommended that the development team spend time evaluating the various audiences that could contain potential donors and determine how CAJ's story might best be communicated to them. For example, the following are groups of people and some of their characteristics:

### **Parents**

Their child is being nurtured in a place that challenges and loves them.  
They might see the need for that experience to be shared with others in the Christian community.

### **Past Parents**

Gratefulness for the impact of CAJ on their child's current successes and attitudes in life  
A connectedness to and love for Japan and they see the school as integral to that.

### **Current and Former Staff**

Believe in the cause  
Feel an affinity to the students

### **Alumni**

A remembrance of the school experience they would like others to have  
Appreciation for the school for the impact it had on their own life  
Belief in the cause of the Gospel in Japan and want to see it supported  
Desire for the experience they had to be enhanced further for new students

### **Mission Agencies**

See the importance of a strong educational program to support its efforts of evangelism in Japan

### **Churches and Individuals**

Desire to support missions in Japan and fellow believers who would send their children to CAJ.



## Donor Data Management

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Vital to the success of any long term donor campaign is a well run data management program. Knowing information about donors and their gifts, as well as being able to communicate with donors, is a fundamental aspect of good development.

Key Recommendations Include:

Install donor contact software on the system, independent of the current school database. At a later date the school might consider an integrated program but right now there is potential for errors in mixing the data. To keep things simple, even though it may involve additional data entry, it would be best to focus on software that only dealt with donors.

Features of the software would include the ability to track the following kinds of information:

- Name
- Addresses
- Phone
- Email
- FB membership
- Primary relationship with the school:
  - Family of current student
  - Former family
  - Current staff
  - Former staff
  - Alumni
  - Mission Agency
  - Church
  - Business/Foundation
  - Friend of the school (non-affiliated donor)

The software also needs to capture and report the following data

- Donation amount
- Date received
- Designated purpose, if any
- Source of gift (what prompted donor to give e.g. newsletter, personal ask)
- Total giving for the year
- Total giving history
- Percentage and amount of giving for each donor type
- Total amount given for each designated area
- Total amount raised via each source

## Donor Receipt Processing

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Excellent donor relations can be achieved by proper handling of the gift transaction. Relationships can also be harmed by disorganized, untimely, or inaccurate receipting. And even if the receipting is handled according to proper procedures from a technical standpoint, it can also cause problems if the development team is unaware that a gift has been received and receipted. The following procedures are recommended:

No matter how few gifts are received, every gift must be processed on the day in which it was received by a donations assistant. There are two situations to address given locale:

In Japan, the business office or someone designated by the business office needs to find out from the computer bank ledger the identity of the donor and then follow up to find out if there is any designated purpose behind the gift and what prompted the gift (source.)

The business office communicates this information on the day it learns of the identity of the donor and the nature of the gift to Brian as the chief donor relations representative. His office sends out a thank you letter the day in which he learns of the gift, thanking the donor for their support using a monthly letter that is produced ahead of time. The letter can be adapted as the situation dictates.

The donation data also needs to be communicated to the person responsible for the donor software. This should be updated as often as possible but no later than by Friday of each week.

In the U. S., JCAA should process donations on a daily basis and send a receipt and thank you letter from the development representative. JCAA should continue making deposits to the bank and transferring funds according to the current procedures. At no time should a check be deposited without a thank you letter and receipt having first been sent.

A donations journal for the day should be emailed to the donations assistant who would forward a copy to Brian and also keep for entry into the software. When Brian receives notification as to the gift, donor, and other pertinent data, he should send the same letter of the month to the donor in the U. S. In effect, the U.S. donor will be getting touched twice by CAJ. That is helpful in that it will help reinforce the relationship despite the long distance relationship.

An important step for a donations assistant would be to check the publications database to ensure that the addresses match. If not, it is recommended that the donations address be used as the official address. Martie should be notified of the discrepancy and make the change on her database unless she has information that would keep the existing address as the official one.

## Development Team

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Though it would be helpful to have an official development department, much work can be accomplished with assigning current staff and new volunteers to achieve short term objectives. For long term effectiveness, however, it will be important to have a designated team whose focus is primarily development. This is particularly true if the school initiates a multi-million dollar capital campaign in the future.

### Development Executive

Brian Vander Haak is the chief development officer, assuming responsibility for the execution of the plan by various staff and reporting to the board on the development efforts. It is his responsibility to establish policies for development and overseeing the activities of the members of the team. He will engage in direct development activity via a daily thank you letter, personal contacts with donors, personal contacts with potential donors and making appropriate asks.

In the future, it is recommended that while Brian would continue to be responsible for ensuring that a plan is in place and that it is being executed effectively, there should be a person designated to carry out the plan and to engage in development on a full-time basis.

### Development Assistant

Someone should be assigned the task of receiving donations data from JCAA and from the CAJ business office and entering such data in the database. The assistant should also produce reports on a monthly and/or as requested by the Development Executive and Development Representative

### U. S. Donor Representative

Because development activity amongst alumni and other U. S. donors should increase with this campaign, it is recommended that there be a point person in the U. S. who organizes and implements activities there. I have offered my services in that regard. In general, it would be this person's responsibilities to contact donors (phone and face-to-face visits when appropriate) as well as to organize other volunteers for fundraising efforts.

### U. S. Donations Assistant

This person needs to implement the donor receipting process described earlier in this plan. Their function would be focused solely on the receipting and deposits aspect since the donations assistant would handle the software entry in Japan. The U. S. assistant, however, should notify the U. S. Representative about a gift so that he/she can be apprised of it. He/she would, of course, be writing a note for inclusion in the U. S. receipt letter.

CAJ will now be producing an annual communications piece for the entire school and alumni community. The current newsletter, Chronicle, is not only attractive and written well, it also provides the much needed service of keeping people informed of alumni news. Several observations to make in this regard, some of which the staff of the Chronicle are already aware.

### Chronicle

Facebook has changed the way in which alumni keep up with one another. This should not mean, however, that the Chronicle should not have an Alumni section. First, while alumni might be particularly interested in their own class members, it would be helpful for all the alumni to see what is happening in the lives of other students. Second, the news is also helpful in reinforcing the concept that there is a continuing heritage. Third, Facebook users don't always catch news and see photos depending upon whether or not they were on the site on a given day. Fourth, the news section can also reinforce the idea that alumni would enjoy attending reunions. Reunions are a great way for people to reinforce their identification with the school.

The Chronicle should always include an article with photos of something pertinent to the development campaign. It would be preferable not to have an official column named for Development but rather the focus of the article should illustrate the impact of giving on the furtherance of the school's mission. A reply device and envelope should be included.

The Chronicle should be produced in the Fall of each year in order to ensure people are home from vacation and that it is fresher in people's minds as we approach year-end giving.

### Brochure

The school has good materials for use in working with potential student families. It is attractive and contains excellent content. CAJ does not have, at this time, an effective fundraising piece that would highlight the impact of a donor's gift on the life of the school. The school should consider publication of that piece in the 4<sup>th</sup> quarter of 2011 or first quarter 2012.

### Web Page

Some effort should be focused on how the development page is set up on the CAJ website and whether or not it is clear as to who should use which screens to donate.

### Support Materials

- Profile sheets for each area of the school for use in proposals to donors

- A reply device for the donor to accompany his or her gift

- Single page (one or two sided) reprints from Chronicle magazine to accompany proposals

## JCAA-CAJ Relationship

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JCAA has been established to receive funds in the United States and to provide donors with a tax-deductible and convenient means of making their donations in U. S. dollars to CAJ. It is currently comprised of a board of directors representing seven mission boards. Each year, CAJ submits a request for funding from JCAA with agreed upon limits as to how much it will receive. Currently, JCAA's primary function has been to channel staff support to CAJ from participating staff members' constituents.

It is recommended that JCAA increase its visibility as the fundraising organization in the U.S. amongst potential donors. The establishment of a development team made up of a representative and assistant is the first step in this process.

The formal relationship between JCAA and CAJ should also be investigated. Currently, the Business Manager at CAJ who submits the annual request to JCAA is also its president. Though everything has been implemented with the highest degree of integrity in its intent and management, it could appear to be a conflict of interest in having a CAJ leadership team member also in a leadership role at JCAA. The Business Office should continue to draft appropriate documents and maintain official records of JCAA but it should not serve as a voting representative on JCAA's board.

The official status of JCAA with the IRS should also be explored. It is important to determine if the IRS ruling letter stipulates that JCAA is a 501c3 organization or some other category. If it is not listed as a 501c3 and its function solely as a fundraising vehicle for U. S. donations can be maintained, then it is recommended that it switch to this category. Most donors are familiar only with this category and, as we assume from the donations that can't be released from one of the donor-advise mutual fund companies, can limit how people can support the school.

## Development Activities in the U. S.

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Given the lack of development staff and any ongoing development activity in the past in the U.S., it is recommended that the first year focus on two aspects—establishing a localized volunteer group to help raise funds and contact potentially large donors across the country.

### Local Network

Because the JCAA office is in Wheaton, Illinois and the proposed Donor Representative is just across the border in Wisconsin, it is recommended that the first development network be established in the Chicago area. The purpose of the network would be to organize one event per year for the purpose of developing alumni identification with the school, providing a platform for communicating the vision and programs of the school, and for raising funds.

The network should determine what venue would be best for accomplishing these objectives and in keeping with logistical and calendar constraints.

The Donor Representative should begin recruiting network members as soon as possible and have the network's first meeting this quarter. If the initial network is effective, we can add other cities such as Los Angeles, Seattle, San Francisco, and Grand Rapids.

### Long Distance Donor Contacts

The Donor Representative should begin making contacts with potential large donors from amongst his own network (primarily class members) as well as obtain from the CAJ business office which donors in the U. S. have given in the past towards projects. If the prospective donor is open to meeting face to face and the potential warrants a flight, the Representative can meet with them at the school's expense. The Representative will attempt to schedule visits that correspond with his client visits in Texas, California, and Florida.

### Letters

We may find it necessary to use personal letters to communicate with potential donors the CAJ development staff thinks would be a good audience for such a means of communication. The letter can come from JCAA representative officially, CAJ's Headmaster, or even personally from the Representative as an alumnus of the school. Because the Representative is not in a paid position, it would be appropriate for him to send out a letter on personal stationery to other alumni describing the activities of the school and the needs for funds.

CAJ currently engages in a number of fundraising activities amongst the school families. These are primarily focused on raising money for school projects and are sponsored by classes or by the parent teacher organization. Very recently, the school instituted the Love in Action campaign which has had excellent response.

Though there are many activities which might discourage the school from adding another funding campaign to its calendar, it is nevertheless important to proactively seek support from families. While many families are struggling, many families would welcome the opportunity to help others that send their kids to school here. The following are opportunities to share about the campaign and funding needs.

### At Time of Enrollment/Application

Each family enrolling in the school should be made aware of TAP so that they can consider whether to apply financial aid. It is also an opportunity for those that don't need assistance to be made aware that they can contribute to the fund. A one page descriptive piece on the benefits and needs of the funds should be included in each packet (application or enrollment) along with a reply card for those that decide they want to contribute.

### Thrift Shop

The event is an ideal time to reinforce the concept of the school coming together to help one another. Special donor receptions for families, a testimony from a student or family that benefited from TAP, an article written about TAP to give to people upon check-out—these kinds of ideas could be pursued to see what might work effectively.

If the Thrift Shop weekend schedule allows for it, that might be a strategic time to host a banquet that is designed to encourage the school's extended community with what is happening with the school and to also raise pledges for the campaign. This aspect of adding another "item" to a busy schedule would need to be evaluated by current participants and school leadership to determine if it could be implemented effectively.

### Personal Meetings

After analyzing the giving data to determine what donors living in Japan have given and for what purpose, the Development Executive should make arrangements to meet with those persons on a one-on-one basis to explain what the school is doing and how the donor might be involved.

## Development Education and Affiliation

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A helpful resource for CAJ and for providing credibility with donors in the U. S. would be to become a member of the Evangelical Council for Financial Accountability (ECFA.) In addition to being a resource on fundraising and stewardship standards that can be used by the Development Team and Business Office, the association is the 'seal of approval' in the eyes of many large donors who give to ministries. The cost of membership each year in ECFA would be \$550 given the amount of donations received by CAJ at this time.



## Development Budget

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Given the limited time and staff that can be devoted to the development effort, it is recommended that CAJ limit its investment to activities that will raise as much money as possible in the shortest amount of time. Major donor development is the most cost effective focus for the school and, fortunately, the cornerstone of larger campaigns.

There will be some basic costs for conducting the campaign:

- Printed materials
  - Reply device and envelopes
  - Campaign flyer
  - Class/subject profiles

- Postage

- Donor data management software

- Travel

- ECFA Membership

- Local Network event

- JCAA Donations Assistant

- CAJ Donations Assistant

- Shimizu candy

- Alumni Support
  - DVD's
  - Miscellaneous

At this preliminary stage in the funding plan, it is difficult to determine precisely how much might be needed. An ongoing development program with full time staff might entail anywhere from 5 to 10% of the annual budget depending upon the size of the budget but it is too early to tell what might be the best use of resources.

## Calendar

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Based upon the adoption of this plan, a calendar of activities and deadlines would be created to help the development team organize their tasks and achieve their objectives in a timely fashion. The calendar will be attached to this plan at a later date.

## Alumni Relations

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Though not directly a development function, an engaging alumni relations program can foster a community of supporters that are generous and faithful to the school. The Chronicle is just one part of an excellent relations program.

It is recommended that CAJ find out what other schools are doing with regards to alumni and incorporate the best ideas. The investment of personnel, materials, and other expenses may promote good will toward the school and also encourage generous giving. Some ideas for alumni activities include:

### Legacy Tours—

Organize visits to Japan and CAJ on an annual basis. Put together a schedule that involves a day and evening on campus for participants, local activities, and time for the alum to visit his or her own country.

### Reunion Resources—

DVD's could be produced with the CAJ story that could be played at reunions giving alumni in attendance an accurate picture of the school. A guided tour on DVD of the walk from eki to the school would be interesting. And interview with Shimizu san.

Reunion communication to alumni and address updates

### Alumni Gear—

Clothing and other items of interest might be made available for purchase, particularly gear with older artwork.

### Alumni Cruise—

Work with a travel agency to organize a cruise either in the Caribbean or Alaska.

It is also recommended that someone with a long history with the school currently on staff be officially given responsibilities to spearhead alumni relations and implement programs like the preceding or other equally impactful relationship activities.