

Capital Campaign: Assets for the Future

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Planning a capital campaign can be both exciting and challenging. Because a capital campaign is a very public effort for your ministry, you want to ensure success from the outset. A successful capital campaign takes dedicated leadership, detailed and skilled planning, timely implementation and meticulous tracking. A capital campaign will require intensive and focused efforts from your entire ministry. This article is not an in-depth explanation of how to run a capital campaign. Rather it is designed as an overview to answer initial questions you will likely have as you consider running a capital campaign.

What Is a Capital Campaign?

A capital campaign (CC) is “the mounting of a significant fundraising effort to provide for major institutional needs, i.e., buildings, endowment or current expenses. Such an effort involves sound research, long-range planning, persuasive campaign literature, effective organization, application of proven procedures, careful scheduling and publicity – all within a specified time period and prescribed budget” (The National Society of Fundraising Executives). A capital campaign secures extraordinary gifts for a specific project that will have a long-term impact on the well-being of your ministry. It is in addition to annual funding.

A capital campaign is a special organization-wide effort to raise funds far in excess of annual giving to achieve a specific objective. Current literature suggests the effort be conducted during a period not to exceed 16 months. It is major gift driven and utilizes volunteers (trustees and others) as solicitors. While generally a “bricks and mortar” campaign, in many campaigns funds are raised for capital, endowment, program and operations all at once. Some campaigns raise money for a new building and include funds for other expenses the building will incur, such as furnishings, landscaping, equipment and technology support.

Most CCs are funded primarily by individuals. On average individual donors provide 85% of the funding with foundations and corporations giving the remaining 15% (American Association of Fundraising Counsel). Furthermore, generally about 80% of funds raised come from 20% of the donors. Most CCs should be able to attain their goals with relatively few gifts – 50 to 150.

If possible, a capital campaign should have an associated but substantially smaller endowment campaign that raises money to help defray operating costs for the asset purchased by the capital campaign.

What Are the Major Phases in a Capital Campaign?

A capital campaign must be viewed as a tool to achieve strategic organizational objectives and a new and expanded vision/preferred future for the ministry. So undertaking a CC assumes that you know the top priorities of the ministry for the next three to five years.

Once you have made the important decisions regarding strategic direction, a campaign can be considered. The campaign is a timed sequence of events or phases. A capital campaign relies on prospect identification, cultivation and solicitation activities carried out by a substantial number of committed volunteers, most often board members. Ordinarily the major phases of a CC include: Case Statement, Campaign Study, Preparation, Silent Campaign, Public Campaign and Post-Campaign Assessment. A brief summary of each phase follows.

Case Statement

The case statement identifies what you need and why you need it. It is a persuasive description of the way in which the campaign is essential to the future of the ministry. It must describe demonstrable needs, a sense of urgency and plans for the use of the money raised. The case statement becomes your stump speech, the consistent message all volunteers and staff convey to potential donors that speaks to their interests in supporting the growth of your ministry.

Campaign Study

A campaign study has two aspects - internal and external – the latter of which is best conducted by an outside party. An internal campaign study asks questions about your ministry’s readiness to undertake a capital campaign. An internal audit assesses the strength of your board members and their willingness to assume campaign leadership roles, the adequacy of your staffing, technological capability and your fundraising track record. An external campaign study (a.k.a. a feasibility study) asks parties outside the ministry about the ministry’s ability to raise capital. Here the emphasis is on assessing public awareness and perception of your ministry. Typically your case statement is tested with your constituents. The study helps determine a reasonable and attainable goal for your campaign, a realistic timeframe, whether the community would support your proposed campaign, and identify and cultivate volunteer leadership and potential major donors to your campaign.

Your study should result in:

- Assessment of the potential for a successful

campaign

- Suggested improvements for the case statement and other campaign materials
- Recommended dollar goal
- Draft pyramid or table of gift ranges needed
- Suggested campaign timetable and budget

Ordinarily these results are reviewed by the ministry's Board. The Board then decides to conduct the capital campaign, specifies the goal, identifies a Campaign Chair and establishes a Capital Campaign Committee to oversee the campaign. The Capital Campaign Committee generally is selected from the ministry's trustees, major donors and others willing to work for the success of the campaign. They work with staff to formulate the campaign plan and solicit gifts.

Setting the goal can be a challenge. The amount to be raised must be based on the ability of your ministry to raise the money and must be large enough to meet your future capital needs for a period of time so you aren't finishing one capital

Numerical Guides/Benchmarks

3-6 prospects/gift
1 volunteer/5-6 prospects
4 hours of volunteer time/prospect
Board aggregate contribution=1/3 total goal
1 gift=10% of total goal
Top 10 gifts=50% of total goal

campaign and beginning another.

Preparation

In the preparation phase, the Capital Campaign Committee creates a detailed campaign plan that includes an overall campaign strategy, defined timeline, consultant(s), staffing, campaign materials (including a revised case statement) and a budget. A list of potential donors is developed with a solicitation pyramid that estimates the number and size of gifts needed to reach your goal. A supportive and enthusiastic group of volunteers are identified and trained for their job.

Silent Campaign

The silent phase is an initial period of the capital campaign that consists of securing the campaign's lead gifts. Typically the ministry's best prospects (trustees and major donors) are asked to pledge during this period. By the conclusion of this phase, roughly 60-80% of the total campaign goal should be secured.

This is a particularly intense period during a capital campaign. Volunteers and staff are working diligently, ensuring that all communications are completed in a timely manner, and keeping track of all contacts and progress toward the campaign goal. The Capital Campaign Committee is fully engaged, continuously monitoring activities and providing progress reports to the Board. The Chair is making sure things are working well, encouraging people in their efforts for the ministry and ensuring that Board members are actively participating in the campaign.

Public Campaign

This phase takes your campaign to your public. You announce your campaign, its goal and the amount raised to date. You want to be able to announce 100% participation by your Board members. Now you reach out to a broad array of constituents. This phase brings a large number of smaller gifts and brings you to your goal.

It concludes with the announcement of the attainment (and beyond) of your goal, celebration and many thanks.

Post-Campaign Assessment

It's over. The campaign is finished. Now it is time to analyze what went wrong and what went right, which fixes worked and which didn't. Evaluation is the final step in a well-organized campaign. The farther away you get from the campaign, the less you will remember. Your final report to the Board ought to be an organized record of the knowledge you acquired in the process that will help you in the next campaign.

These are some of the questions that you should ask.

Was the goal realistic?

How well did the organization structure of the campaign work?

Are front-end systems (prospect identification, research, solicitation materials production) and back-end systems (gift processing, donor acknowledgment, donor information tracking) running properly?

Was volunteer training effective?

Was the kickoff meeting effective?

Were the progress meetings and reports effective?

Were you able to fix problems and replace volunteers quickly and effectively?

Did staff function adequately?

Was the budget realistic?

What Is the Role of the Campaign Chair?

A campaign chair must be a person of stature and influence, well known, highly respected and well informed, with a passion for the mission and future of the ministry. S/he can be expected to perform the following functions and should be identified with these responsibilities in mind:

- Lend the authority and influence of her/his name
- Preside over campaign report meetings
- Make solicitation calls on the ministry's best prospects
- Recruit all volunteer solicitors to seek contributions from individuals, foundations, corporations and in-kind
- Serve as chief spokesperson for the campaign
- Work closely with the Capital Campaign Committee to determine policies and procedures
- Make a leadership, pace-setting gift to the campaign
- Be willing to accept responsibility for campaign outcome
- Provide regular campaign progress reports to the Board

What Are the Duties of the Members of the Capital Campaign Committee?

Members of the Capital Campaign Committee articulate the case statement, attend campaign-related events as decided, make a personal leadership gift, personally solicit approximately five major prospects, schedule cultivation meetings, site visits, etc., as desired, with your prospects, attend periodic progress report and campaign tracking meetings called by the Chair, and complete all solicitations according to the campaign timeline.

What Are Typical Campaign Expenses?

Capital campaigns require additional staff and budget. You can expect to spend 10% to 20 % of the campaign goal on expenses to run the campaign. Typical campaign expenses are listed below.

- Additional major gift staff
- Administrative staff
- Proposal writer
- Prospect researchers (in-house or outsourced)
- Systems upgrading to track prospect activity
- Increased travel
- Consultant(s) to conduct studies, train volunteers and provide ongoing counsel
- Design, production and mailing of campaign material
- Special events, e.g., kick-off celebration, cultivation dinners/lunches, campaign closing, groundbreaking ceremony
- Donor plaques and recognition

A capital campaign takes a lot preparation, time and dedication. It takes professional expertise and experience in conducting capital campaigns. In the process you will discover new leaders, build confidence and competence among staff members, strengthen your Board and increase community and prospective donor awareness of your ministry. What ultimately makes a campaign successful is the leadership it enjoys. With an excited and motivated Board leading your campaign, activity will be at its highest and your success ensured.