

# Planning for a Capital Campaign

Peter de Keratry

Dan Moraczewski

# AGENDA

- What is a Capital Campaign?
- Is My Ministry Ready for a Capital Campaign?
- Why Conduct a Feasibility/Planning Study?
- Planning for Success

How Does It Differ from the Annual Fund?

# **WHAT IS A CAPITAL CAMPAIGN?**

# A Capital Campaign is....

An intensive, organized fundraising effort to secure gifts for specific capital needs or projects, executed within a specific time period, usually over one or more years.

# Purposes of a Capital Campaign

- Facility Construction
- Renovation of buildings
- Furnishings or equipment
- Create or add to an endowment
- New or expanding Programs
- Annual Fund can be included

# Campaign Characteristics

- Gifts solicited are larger than those generally solicited for annual fund
- Pledges are emphasized as commitments paid over 3-5 years, resulting in larger gifts
- Planned Giving can be an important factor in the Campaign

# Sequential Fund Raising

Classifying prospects according to their estimated giving potential, and then approaching top donors first

- Ten largest gifts will represent 50 - 60% or more of the campaign
- Failure to follow top-down solicitation lowers giving across the board
- Extended solicitation and participation at lower levels will not offset major gaps in the upper ranges

# Benefits of Capital Campaigns

- Familiarize constituency with ministry's special needs
- Encourage donors to Think Big when making gifts
- Push annual Giving to higher levels
- Build volunteer leadership
- Enable donors to pledge gifts over several years

# Different from other Fundraising

- Campaigns are for restricted purposes
- Mainly use personal solicitation
- Campaigns solicit multi-year pledges from assets (not income like the annual fund)
- Campaign special events are mainly used for visibility and momentum, not raising money

What Needs to be Done?

# **IS MY MINISTRY READY?**

# Key Questions to Answer

- Do you have a strong annual fund and stewardship plan in place?
- Do you have experienced development and support staff?
- Is your Pastor/Director willing to commit significant time for cultivation and solicitation of donors?

# Key Questions to Answer (continued)

- Do you communicate effectively and often with donors and prospective donors?
- Is the mission and vision of the ministry respected and well known?
- Do you have the internal systems, including a database for tracking donor information, pledges and gifts?

# Key Questions to Answer (continued)

- Are there a significant number of volunteers involved and invested in the scope of the campaign?
- Do you have volunteers who will be involved with identifying and soliciting prospective donors?

# Key Questions to Answer (continued)

- Can you identify prospective donors for the lead and major gifts?
- Do you have the financial resources needed to begin a campaign?
- Are you willing to manage all the efforts needed for a prolonged period to ensure a successful campaign?

# FEASIBILITY/PLANNING STUDY

Why and Necessary Steps

# Feasibility Study

- A Feasibility and Planning Study is an effective pre-campaign tool used to assess reception to a campaign by the broader community
- Done well, it will:
  - Test the internal structure of the organization
  - Ensure whether or not the proposed project is mutually desired by the community
  - Gain insights from key constituents

# Feasibility Study Benefits

- Helpful in coming to an internal consensus about the plan and vision of the campaign
  - Do we share a vision for the campaign internally?
  - What do we need to work through before presenting the Case to outside donors?
  - Will the project be welcomed by the community?
  - Do our key volunteers understand what we are requesting of them for the campaign?

# Feasibility Study Benefits

- Provides the space to reflect on the organization's logistical and staffing needs
  - What do we need internally to complete the campaign?
  - Do our chaplain or other leaders understand how to run a Capital Campaign?
  - Do we need outside counsel?
  - Are we in a good place to conduct a campaign?

# Feasibility Study Benefits

- Cultivate relationships with donors and gain valuable insights
  - Interviews with donors can:
    - Offer valuable comments on perceptions of the organization and campaign;
    - Provide clarity on how responsive the larger community will be;
    - Provide a space to clearly converse about the campaign;
    - Allow the donor to begin thinking about a potential gift

# Feasibility Study Benefits

- Ministries can assess the fundraising knowledge of their volunteers and the goal of the campaign
  - How knowledgeable is your campaign leadership and Board about the fundraising process?
  - Is your overall campaign goal manageable, and will excite people or hold them back from giving?

# Why a Campaign Planning Study?

- Provides valuable information
  - Assesses the financial goal the ministry can reasonably achieve
  - Determines best timing of a campaign
  - Identifies campaign leadership, volunteers, and donors
  - Clarifies the objective of the campaign while testing the case for support

# Why a Campaign Planning Study?

- Provides valuable information
  - Recommends specific strategies relevant to its success
  - Leads to a solid campaign plan
  - Asks people to spend time thinking about the ministry and its good works
  - Provides the initial cultivation tool
  - Assesses attitudes and information about the ministry beyond the campaign

# Key Elements of the Study?

- Introducing the need – Preliminary Case for Support
- Identify a strong cross section of the ministry's stakeholders to interview
- Develop confidential questions that assess the ministry and its reputation, the project and its costs, the likelihood of a successful campaign, who will be the lead donors and potential leaders for the campaign

# Key Elements of the Study?

- Schedule and complete interviews
- Review results and recommendations after the confidential information is compiled by the third party
- Decision to move forward or rethink the campaign

Moving Forward

# **CAPITAL CAMPAIGN**

**Petrus Development Conference**  
*January 7-10, 2018 / San Antonio / Texas*

**PETRVS**  
DEVELOPMENT

# Keys to a Successful Campaign

- A compelling Case for Support
- Commitment and investment in the process
- All levels of leadership engaged and involved
- Allocation of resources and staff to support the campaign

# Keys to a Successful Campaign

- Adequate number of prospects to support a challenging goal
- Commitment to face-to-face visits with donors
  - Using top-down giving potential for prospect visits

## Gifts Needed to Raise \$4,000,000 - Three/Five Year Pledge Period

Number of Gifts	Range of Gift	# of Prospects needed by Range/ Cumulative	Total \$Dollars for Range	Cumulative \$Dollars Amount	% of Total
1	\$600,000	3/3	600,000	600,000	15
1	\$400,000	3/6	400,000	1,000,000	25
2	\$200,000	6/12	400,000	1,400,000	35
4	\$100,000	12/24	400,000	1,800,000	45
8	\$50,000	24/48	400,000	2,200,000	55
16	\$25,000	64/112	400,000	2,600,000	65
25	\$15,000	100/212	375,000	2,975,000	74
40	\$10,000	160/372	400,000	3,375,000	84
80	\$5,000	320/692	400,000	3,775,000	94
Many	<5,000	Many	225,000	4,000,000	100

# Campaign Timetable (Campaign < \$5M)

Phase	Timeline
Feasibility/Planning Study	3-4 Months
Capital Campaign Planning	3 Months
Quiet Phase (Lead & Major gifts)	6-9 Months
Public Phase	12-18 Months
Wrap-up Phase	3 Months

# Thank You - Questions

