

Planning for a Capital Campaign

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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?

Petrus Development Conference

January 7-10, 2018 | San Antonio | Texas

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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

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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

