

The background of the page is a blue-tinted photograph of a business meeting. Several people in business attire are gathered around a table, looking at documents. One document prominently displays the word "CONTRACT" in large, bold, capital letters. The overall scene suggests a professional and collaborative environment.

# 14-STEP GUIDE FOR GETTING STARTED WITH A CAPITAL CAMPAIGN



**FIRSTLY**  
**THANK YOU**  
**FOR CONSIDERING US!**

**S**o, your organization needs to raise a significant amount of money for a particular project. After examining all fundraising routes, you've determined that a capital campaign is the right way to go.

Before you dive straight into fundraising, there are a number of steps that you have to take to properly plan your capital campaign.

Luckily, we've done all of the research so that you don't have to!

# CONTENT

<b>STEP 1</b>	<b>ASSEMBLE A TEAM</b>	<b>4</b>
	.....	
<b>STEP 2</b>	<b>COMPLETE A FEASIBILITY STUDY</b>	<b>6</b>
	.....	
<b>STEP 3</b>	<b>CONDUCT A PROSPECT SCREENING</b>	<b>8</b>
	.....	
<b>STEP 4</b>	<b>SET A DEADLINE</b>	<b>9</b>
	.....	
<b>STEP 5</b>	<b>SET A FINANCIAL GOAL</b>	<b>10</b>
	.....	
<b>STEP 6</b>	<b>TAKE A LOOK AT THE PAST</b>	<b>11</b>
	.....	
<b>STEP 7</b>	<b>PLAN A BUDGET</b>	<b>12</b>
	.....	
<b>STEP 8</b>	<b>FORMULATE CONTINGENCY PLANS</b>	<b>13</b>
	.....	
<b>STEP 9</b>	<b>CREATE A HIERARCHY OF GIFTS</b>	<b>14</b>
	.....	
<b>STEP 10</b>	<b>PLOT A FUNDRAISING COURSE</b>	<b>15</b>
	.....	
<b>STEP 11</b>	<b>CREATE A DETAILED CAMPAIGN TIMETABLE</b>	<b>16</b>
	.....	
<b>STEP 12</b>	<b>PREPARE SUPPORT DOCUMENTS</b>	<b>17</b>
	.....	
<b>STEP 13</b>	<b>CRAFT YOUR CASE STATEMENT</b>	<b>18</b>
	.....	
<b>STEP 14</b>	<b>MAKE SURE EVERYONE IS ON THE SAME PAGE</b>	<b>19</b>

## 1

# ASSEMBLE A TEAM

A capital campaign cannot survive with one person calling all of the shots. It is a team initiative that requires the support and commitment of several people.

In particular, a capital campaign needs specific individuals to ensure successful cohesion. Generally, these people will include:

- **Members of your board of directors.** Your entire board doesn't need to be on your capital campaign team, but make sure that you've enlisted the help of your key members before you start planning your capital campaign. Board members are often the most invested and well-connected individuals on your capital campaign team. They will be essential during the fundraising process.
- **Staff members.** Depending on your type of nonprofit, these team members may be faculty, heads of departments, or senior executives. It's a good idea to have a selection of people from different departments and areas for a well-rounded capital campaign team.
- **Community volunteers.** Your capital campaign team should not be comprised solely of organization members. Regular supporters of and advocates for your nonprofit are perfect candidates for your capital campaign team. These supporters may have benefited from your services and be alumni, previous hospital patients, or recipients of your goodwill.

Depending on the size of your committee and the scope of your capital campaign, you may need to break up your team into various subcommittees to help handle smaller or more detailed projects.

## TYPES OF SUBCOMMITTEES THAT YOU COULD POTENTIALLY CREATE INCLUDE:

- Government relations
- Loans and “bridge funding”
- Major gifts
- Funding from religious congregations
- Corporate donations
- In-kind donations
- Marketing
- Special events
- And more!

As you can see, the options for subcommittees can become lengthy and involved. Make sure that your main committee meets regularly to get updates from each subcommittee.

Finally, you may need the help of additional people that aren't included on your committee. These individuals can come from within your organization or be externally contracted.

In general, you should look to the following individuals or groups for additional help during the planning process of your capital campaign:

- Major gifts officer
- Prospect researcher
- Planned giving officer
- Proposal writer
- Volunteer coordinator
- Event planner
- Direct mail coordinator
- Website designer and IT support
- Administrative staff
- And more!

As mentioned before, capital campaigns are not meant to be tackled alone. Depending on your goal and your organization's resources, the composition of these teams may differ.

## 2

# COMPLETE A FEASIBILITY STUDY

A feasibility study is a series of interviews that your capital campaign committee conducts with members of the community and potential donors to help determine whether or not your campaign will be able to raise the funds in the allotted amount of time. Think of it as a focus grouping a product before it launches. You wouldn't try to sell a product that no one wants, and you definitely don't want to launch a capital campaign that no one cares about.

A feasibility study allows you to determine whether or not the community would be willing to support your project.

## **DURING THE FEASIBILITY STUDY, YOUR COMMITTEE WILL NEED TO LOOK AT SEVERAL FACTORS:**

- The community's perception of the proposed project and your organization in general.
- The potential size of your donor base and the ability of those supporters to give large donations.
- Available internal resources and where those resources are lacking.
- External factors that could come into play during the capital campaign.
- Other relevant information.

A feasibility study may be completed by a member of the committee or can be conducted by an outside consultant. Either way, a feasibility study will usually involve interviewing between 30 and 40 people including:

- Board members
- Staff members
- Past donors
- Other major gift prospects
- Volunteers
- Other members of the community

During these interviews, it is the job of the interviewer to flesh out the interviewees' perceptions of the organization, the proposed project, and the feasibility of the fundraising efforts. Before you launch a capital campaign, it is essential to conduct a feasibility study to make sure that you can actually pull the campaign off.

## 3

# CONDUCT A PROSPECT SCREENING

To help you discover your major gift donors and lead donors, you should conduct a prospect screening before you make appeals.

Prospect research can help you find all sorts of information such as:

- Past giving to your organization.
- Donations made to other organizations and political campaigns.
- Real estate ownership.
- Organizational and business affiliations.
- Stock ownership.
- Basic information like name, address, marital status, and age.

Having this information at your fingertips will help you determine the giving levels for your hierarchy of gifts. It will also be helpful when you make donation appeals to your major gift donors. [The more you know about a prospect's giving patterns the better prepared you will be to make donation appeals.](#)

## 4

# SET A DEADLINE

One of the components of a capital campaign that distinguishes it from some other fundraising efforts is that it has a deadline. While annual funds and endowments can be replenished at any time, funds for a capital campaign must be made within the allotted time.

Set a realistic deadline for your capital campaign, but account for unexpected events that could stall your fundraising.

A capital campaign can last anywhere from one year to several depending on your fundraising efforts and your system for pledges. Pick a deadline that makes the most sense with regard to your project and how long you think the fundraising stages will be.

## 5

# SET A FINANCIAL GOAL

One of the most important planning components of your capital campaign is setting your financial goal.

Naturally, this will depend on the scope of your proposed project, but make sure that you are accounting for hidden costs as well as obvious expenses.

Hidden costs that you might not initially account for in your capital campaign goal include:

- **Fundraising costs.** Between marketing materials, the costs of fundraising events, and other related expenses, it's difficult to raise a large sum of money without spending some money. Make sure that your financial goal takes these costs into account.
- **Attrition costs.** Many capital campaigns rely on pledges that are disbursed over the course of a number of years. Some of the value of these pledges will be reduced, often through nonpayment. Keep these attrition costs in mind when you start planning your financial goal and remember that attrition costs should not exceed 10% of your final goal.
- **Inflation.** This hidden cost may be more difficult to calculate than others, but you can still try to prepare for the costs associated with inflation over the course of your capital campaign.

Make sure that you accurately calculate all costs associated with your capital campaign. The financial goal will be integral when making your donation appeal to major gift donors, corporations, and other individual supporters.

## 6

# TAKE A LOOK AT THE PAST

Before determining who to solicit for donations and how you will raise money for your capital campaign, it's a good idea to look to the past to determine which route to take.

If you have implemented a direct mail campaign that has worked in the past, consider using that method to communicate with your supporters.

Looking to the past can be a great way to give all of your fundraising methods a boost, but it can be especially helpful when planning a capital campaign. Since you need to raise a significant amount of money by a certain deadline, it's useful to have all of your best fundraising strategies in the back of your mind.

## 7

# PLAN A BUDGET

As mentioned earlier, capital campaigns are designed to raise money for a particular venture, but they also require the spending of funds. Before you launch your campaign, make sure that you have a designated budget set aside for fundraising costs and other expenses.

Potential costs could include:

- **Fundraising events.** Depending on the type of event, you might need to pay for or rent certain services.
- **Major gift donor cultivation.** Asking major donors for contributions requires more than a simple phone call. It involves meetings, lunches, and other events that are designed to persuade the individual to donate to your capital campaign. Your team will have to spend some money during this cultivation process.
- **Marketing materials and support documents.** Your capital campaign will have to have various marketing materials available for donors to learn more about the campaign. Whether completed in house or by a marketing agency, these marketing materials should be factored into your budget.

You might find that your capital campaign has other associated costs not listed here. Make sure that you account for all of the expenses that you might incur during the planning and implementation process.

8

# FORMULATE CONTINGENCY PLANS

Just like you accounted for hidden costs, you'll want to create a plan for unforeseen circumstances during your capital campaign.

These events could range from small hiccups to large roadblocks that stall your project for several months. Although you probably don't have a crystal ball that can accurately foretell the future, you can try to account for issues that may arise during the planning and implementation of your capital campaign.

Your subcommittees and main committee should keep each other regularly updated on progress to catch problems earlier rather than later.

## 9

# CREATE A HIERARCHY OF GIFTS

Once you've outlined a budget and financial goal, you'll need to create a hierarchy of gifts. Because capital campaigns rely on a few major donations and many smaller contributions, the hierarchy of gifts should look like a pyramid.

## YOU'LL NEED:

- A few lead gifts that make up a large portion of your funds and are given at the very beginning of the capital campaign.
- A dozen or so major gifts from your most dedicated supporters.
- A moderate amount of special gifts from other donors.
- A large amount of general, smaller donations.

Your hierarchy of gifts will be dependent on your fundraising goal as well as the results of your feasibility study. Remember that it is supposed to be a general guideline; a generous donor might give 80% of your needed funds with one check.

**10**

# PLOT A FUNDRAISING COURSE

Once you know how many gifts you'll need from each donor level, you'll want to plot out a fundraising course for obtaining those gifts.

The capital campaign committee should kick off the giving with their own donations, but after that, you'll need to determine when and how you go after major gifts, lead gifts, and smaller donations.

## 11

# CREATE A DETAILED CAMPAIGN TIMETABLE

Going along with your fundraising course, you'll need to create a detailed campaign timetable for each step of the capital campaign.

This timeline should include two main phases:

- **Quiet Phase.** This is the stage in which you make appeals to major donors, corporations, and government agencies. During the quiet phase, many capital campaigns receive 50 to 70% of their overall goal.
- **Public Phase.** After a kickoff ceremony, the capital campaign is made open to the public. At this point, donors can contribute whatever they want, whenever they want.

You can fill in the details of these two phases with the particulars as they relate to your specific capital campaign.

12

# PREPARE SUPPORT DOCUMENTS

Once you've established a budget, created a financial goal, and determined your deadline, you can start preparing your support documents. These documents will help convey the professionalism and seriousness of your capital campaign, encouraging supporters to donate.

## **SUPPORT DOCUMENTS CAN INCLUDE:**

- Case statements
- Brochures
- Letters
- Pledge cards
- Proposals
- And more!

Having these support documents on hand before you even start soliciting donors for contributions will help guarantee that donors have a positive perception of your organization in general and your capital campaign specifically.

13

# CRAFT YOUR CASE STATEMENT

Your case statement is what you will use during your donation appeals to convince prospects that your project is worth funding. It is a flexible document that gives details about the capital campaign. It answers questions and sells the campaign as being worthwhile.

It is also helpful when developing proposals and brochures, writing speeches, and establishing accountability with donors.

Your case statement should be professional, visually appealing, and informative. It should highlight your organization's past and current accomplishments and explain why you need money for your capital campaign.

This single document will be the basis for the majority of the rest of your marketing materials.

**14**

# MAKE SURE EVERYONE IS ON THE SAME PAGE

Before the light goes from red to green and you hit the gas pedal on your capital campaign, make sure that your entire team is ready and on the same page. Hold regular meetings during the planning phase and check in on a weekly or monthly basis to update everyone on progress.

Additionally, keep the other key players updated on the campaign. The more informed everyone is, the more streamlined the entire process will be.