

14-Step Guide for Getting Started with a Capital Campaign

By: DonorSearch

Dec 19, 2015

So, your organization needs to raise a significant amount of money for a particular project. This might be a long-awaited renovation for your organization's headquarters or perhaps another big-ticket project that can't be covered by your annual fundraising efforts alone. 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. To get your capital campaign off the ground, you should:

1. [Assemble a capital campaign committee.](#)
2. [Complete a feasibility study for your capital campaign.](#)
3. [Screen capital campaign prospects.](#)
4. [Set a capital campaign deadline.](#)
5. [Finalize your capital campaign's fundraising goal.](#)
6. [Review past fundraising successes and failures.](#)
7. [Set a budget for your capital campaign plan.](#)
8. [Formulate contingency plans to avert capital campaign disaster.](#)
9. [Develop a gift range chart for your capital campaign.](#)
10. [Create a capital campaign plan.](#)
11. [Outline a capital campaign timeline.](#)
12. [Prepare support documents for your capital campaign.](#)
13. [Write your capital campaign case statement.](#)
14. [Align expectations for your capital campaign.](#)

Luckily, we've done all of the research so that you don't have to! Keep reading for our step-by-step guide to your nonprofit's next capital campaign. [Blog-Post-Contributor-Modal]

01

ASSEMBLE A CAPITAL
CAMPAIGN COMMITTEE



1. Assemble a capital campaign committee.

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 committee, 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 (and may even contribute large gifts of their own).
- **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.
- **Valuable prospects.** Be sure to include key giving prospects in your capital campaign committee. They can provide unique perspective as donors that your nonprofit can leverage to better plan your capital campaign from the start.

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 (like an embedded capital campaign director). 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](#)
- 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. **Bonus!** Before your capital campaign begins, check out [Averill Fundraising Solutions' guide to setting](#)

[the right fundraising goals for your capital campaign.](#)

02

COMPLETE A FEASIBILITY STUDY FOR YOUR CAPITAL CAMPAIGN



2. Complete a feasibility study for your capital campaign.

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 necessary in the allotted amount of time. Think of it as a focus group to improve 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.

03

SCREEN CAPITAL CAMPAIGN PROSPECTS



3. Screen capital campaign prospects.

[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](#). In addition to the typical indicators of capacity and willingness, don't forget to include other aspects of someone's identity that could support your capital campaign, like matching gift eligibility. If you have someone's employer listed in their donor profile or can extrapolate from public information, you can look into their matching gift eligibility with a matching gifts database. If you find that they are eligible to have their employer match their gift to your nonprofit, make sure to plan to include that in your ask—[1 in 3 donors](#) indicated that they would give a larger gift if a match from their employer were applied to their donation.

04

SET A CAPITAL CAMPAIGN DEADLINE



4. Set a capital campaign 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 and throw off your capital campaign plan. **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.** The most important thing to remember when picking your capital campaign's deadline? Always keep it flexible. Don't let your campaign run on and on if you hit fundraising roadblocks. This can be a sign that it's time to head back to the drawing board, and not to drag a campaign out that can't support itself. Conversely, if you hit your fundraising stride near the planned deadline for your capital campaign, don't be afraid to keep fundraising. Your campaign's deadline should be a guidepost and not a brick wall. Our top tip for setting your capital campaign deadline? Explore available resources to help your organizational leaders plan a campaign and stay on track for the duration. **One great example of this is [the Capital Campaign Toolkit](#), a resource that guides nonprofit leaders through a seven-phase campaign plan.** A combination of online resources and expert capital campaign advising, the Toolkit is a step-by-step path to campaign success. When using the Toolkit, your nonprofit gains access to templates, checklists, worksheets, and campaign experts to fully map out your campaign and any appropriate deadlines. With access to the Toolkit's private Facebook group, weekly advising calls, and expert advisors, the Capital Campaign Toolkit has built-in accountability to keep you on track. Learn more about the Capital Campaign Toolkit [here](#).

05

FINALIZE YOUR CAPITAL CAMPAIGN'S FUNDRAISING GOAL

5. Finalize your capital campaign's fundraising 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.

06

REVIEW PAST FUNDRAISING SUCCESSES AND FAILURES

6. Review past fundraising successes and failures.

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.

07

SET A BUDGET FOR YOUR CAPITAL CAMPAIGN PLAN

7. Set a budget for your capital campaign plan.

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.

08

FORMULATE CONTINGENCY PLANS TO AVERT CAPITAL CAMPAIGN DISASTER

8. Formulate contingency plans to avert capital campaign disaster.

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.

09

DEVELOP A GIFT RANGE CHART FOR YOUR CAPITAL CAMPAIGN

9. Develop a gift range chart for your capital campaign.

Once you've outlined a budget and financial goal, you'll need to create a gift range chart. 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

Check out this example of a gift range chart for a capital campaign (see how as the gift sizes get larger, the number of prospects gets smaller?):

Gift Amount	# of Gifts	# of Prospects	Cumulative Total
\$150,000	1	4	\$150,000
\$75,000	2	8	\$300,000
\$40,000	4	16	\$460,000
\$20,000	8	24	\$620,000
\$10,000	16	32	\$780,000
\$5,000	24	48	\$900,000
\$2,500	40	80	\$1,000,000

Your gift range chart 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. Create a capital campaign plan.

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. **Remember: your capital campaign plan can be subject to change. Allow yourself flexibility with your plan so you can course correct as issues arise.** However, it's important to stay in line with your capital campaign plan as much as possible. Set checkpoint dates for your team to evaluate fundraising success. If you're consistently failing to meet benchmarks, that could be a sign that your fundraising goal isn't attainable or that you need to head back to the pre-planning stage to get the right prospects in line

to contribute gifts.

11 | OUTLINE A CAPITAL CAMPAIGN TIMELINE

11. Outline a capital campaign timeline.

[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:

1. **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.
2. **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 FOR YOUR CAPITAL CAMPAIGN

12. Prepare support documents for your capital campaign.

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 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 | WRITE YOUR CAPITAL CAMPAIGN CASE STATEMENT

13. Write your capital campaign 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 | ALIGN EXPECTATIONS FOR YOUR CAPITAL CAMPAIGN

14. Align expectations for your capital campaign.

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.

Planning a capital campaign requires the support of everyone involved. It also takes considerable time and effort to prepare an organization to raise a significant amount of money. By following these fourteen steps, your nonprofit will be poised for capital campaign success! Now that we've

reviewed how your team will tackle your next capital campaign, you might be looking to discover more about this interesting fundraising subject. Never fear! Check out these additional capital campaign resources to learn more about making your capital campaign a success:

- [University Fundraising: 3 Flawless Tips to Engage Alumni](#). Capital campaigns aren't just for nonprofits. In fact, universities often employ them to reach their fundraising goals. Check out our alumni engagement tips to boost university fundraising success for your school's next capital campaign.
- [Capital Campaigns | Goal Setting Strategies and Tips](#). Want to learn more about setting campaign goals for your capital campaign? Our friends at Recharity have compiled their top strategies for capital campaigns goal setting that you'll want to check out.
- [Capital Campaigns: The Ultimate Guide](#). Still looking for more insight into capital campaigns before yours begins? Visit Aly Sterling Philanthropy for another deep-dive into these tricky fundraising projects.