

# Organizing a Capital Campaign: The Essential How-to Guide

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# NonProfitPRO



By [Aly Sterling](#)

Your organization is working on a large project; maybe it's a new building, a renovation or another ambitious undertaking. Projects like these are complicated, and one of the most important parts of the process is determining how to pay for it.

**For established nonprofits, capital campaigns are a highly effective method of fundraising for large projects, especially those that involve constructing or renovating your nonprofit's properties.**

But capital campaigns themselves can be confusing and stressful. There are plenty of [capital campaign myths](#) about the planning process, who will donate and how to ask for funds. **This essential guide is designed put to rest some of these myths and to simplify the process.**

When you are organizing your capital campaign, follow these six steps to ensure successful project fundraising:

1. Conduct a feasibility study
2. Form a team
3. Finalize a goal
4. Create a plan
5. Conduct prospect research
6. Execute your plan

Study up on some [capital campaign best practices](#) and dive into our first essential strategy.



# 01

## Conduct a feasibility study

### 1. Conduct a Feasibility Study.

Your first step to conduct an effective capital campaign is to ensure it is necessary for your ultimate goal and confirm that your organization is ready to take on such a project.

**This is done with a feasibility study.**

Partner with a fundraising consultant to direct your feasibility study. Your consultant will work with your team to answer essential questions like:

- Are stakeholders interested in this project?
- Is now the best time to conduct the campaign and/or project?
- How much could we raise for the project?
- Is the organization ready for something this ambitious?

Your feasibility study is the first big step of your capital campaign. **The answers to the questions above create a base knowledge upon which you will build the plan for your capital campaign.**

As difficult as it may be, your organization must accept the results of the feasibility study. If it seems like it is time to move forward with the campaign, that's great! But be prepared to hear that it may not be the right time.

If you find that it's not the right time, don't worry. You can always return to the capital campaign down the line after you've made improvements to your fundraising strategy, built capacity or stewarded more prospects for gifts.

To read more about these studies and how to get the most out of them, check out [Aly Sterling Philanthropy's in-depth feasibility studies guide!](#)



# 02

## Form a team

### 2. Form a Team.

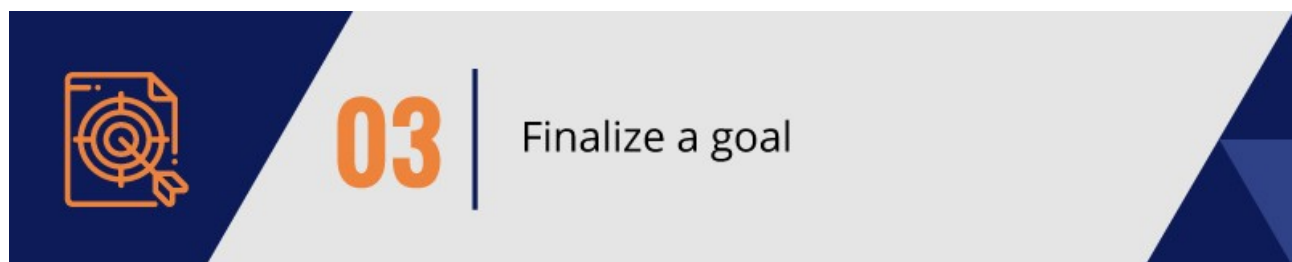
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After your feasibility study, it's time to establish your campaign team. This team consists of staff and volunteer leaders, and is tasked with organizing and executing the campaign according to best practices to ensure success for your organization.

While everyone in your organization should find a way to get involved in the capital campaign, make sure the following people are included in key roles:

- **Your capital campaign consultant.** Choose a consultant who demonstrates an understanding of your organization and experience with campaigns. Solicit proposals from at least three firms, so you can compare their approaches and prices in order to make your decision.
- **Leaders within your organization.** Your board and organizational leadership team will participate in the campaign. Now is the time to reinforce a culture of philanthropy across the entire organization.
- **Organization volunteers.** Those members of your community who have volunteered with your organization are perfect partners for this project. They believe in your mission and will likely have key contacts and insights for the campaign.
- **Staff members.** Encourage involvement from people in every department and make sure everyone understands why the project is important. This addition ensures you receive input from all the different parts of your organization and varies the feedback you will receive.

While your core team is very important for getting the campaign up and rolling, make sure your *entire* staff can get involved with the campaign. Everyone should be prepared to advocate on the frontlines for your cause.



### 3. Finalize a Goal.

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Your campaign goal is driven by the project cost and greatly influenced by the results of the feasibility study.

During your feasibility study, you received feedback from stakeholders on your proposed fundraising goal, which was based on the cost of the project and the campaign.

If your stakeholders expressed overwhelming support for the project and a willingness to give some large gifts, you're on your way. Your consultant will summarize this information in a gift chart that shows how the majority of your funding will likely come in.

**Your next step is to finalize the goal based on this feedback.**

**Confirm that your goal includes all project costs, and set a budget for the project.**

For example, if you are building a new headquarters, you will include the costs of items such as:

- Real estate
- Construction
- Furnishings
- Landscaping
- Moving

**Next, confirm your goal includes the costs of planning and fundraising for the project, and set a budget for the campaign.** For example, this includes:

- Staffing costs
- Consultant fees
- Prospect research tools
- Donor outreach—mailing and collateral
- Celebratory events—groundbreakings and grand openings

If you need to make minor adjustments to your budgets and goal, that's okay. Projects evolve and some changes are expected. However, watch out for unnecessary add-ons or changes that can derail your goal.

**With thorough planning and strong oversight, your campaign goal will raise just what you need to cover all of your related costs.**



## 4. Create a Plan.

Your timeline should map out your capital campaign from start to finish; from the minute your team first met until the date you finish your big project.

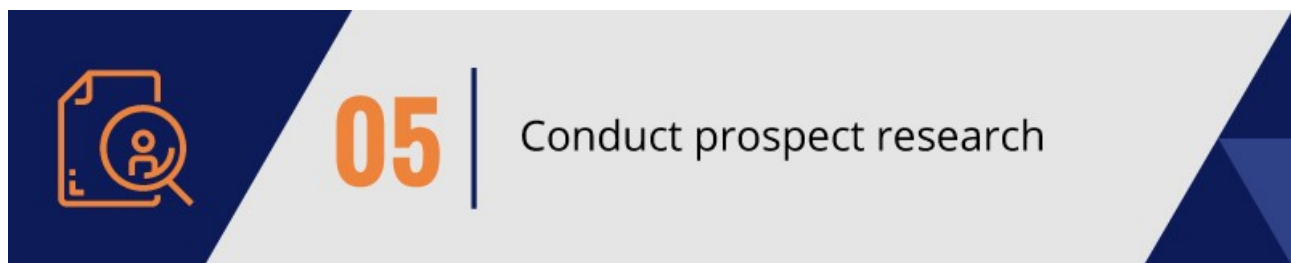
**Generally, capital campaigns have two major phases, a quiet phase and a public phase.**

1. Your quiet phase is when you reach out to your prospective major donors in order to raise large sums of money quickly and obtain most of your fundraising goal. These donors are those you found during the early stages of campaign planning.
2. The public phase of your campaign is when you will raise the rest of the money for your goal. This is when you go to the general public for medium to smaller donations.

**Plan out each of these phases in detail.** For the first, budget how much it will cost to reach out to prospective major donors and the money you expect to raise from them in a gift range chart. Be sure to also map out when this phase will end on a calendar.

For the second phase, plan out meetings with general donors, mail and email campaigns, and community outreach tactics.

**Both phases of your capital campaign provide opportunities to build relationships with donors both online and in-person.**



## 5. Conduct Prospect Research.

Prospect research is an absolutely essential tool to use when you're looking for major donors for your capital campaign.

**Members of your campaign team will use prospect research based on philanthropic and wealth indicators to identify potential major donors and possible gift ranges.**

Philanthropic indicators include elements such as:

- History of involvement with your organization
- Past charitable giving
- Personal charitable interests

In addition to using *measured and studied philanthropic indicators*, your campaign team will review the list of major donor prospects to determine if anyone has a relationship with the prospect and/or knowledge of their charitable interests.

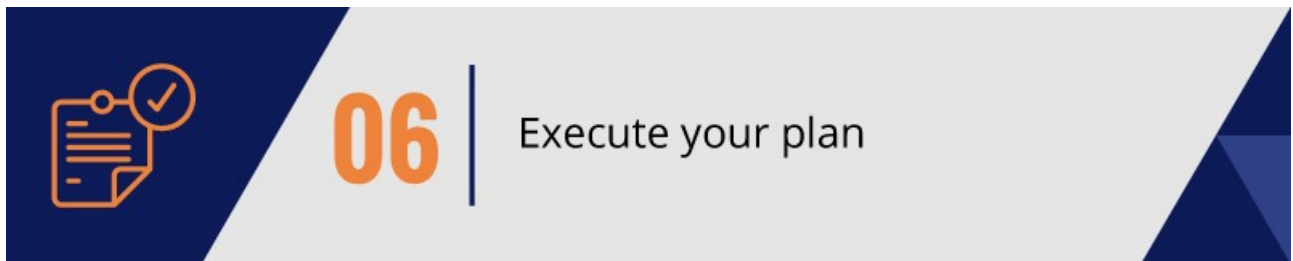
Meanwhile, wealth indicators include aspects like:

- Real estate ownership
- Business affiliations
- Political giving
- Stock transactions

Wealth indicators focus much more on how much a person might be *able* to donate to your organization. This is important because you don't want to ask a person for \$1,000 when they can only give \$100. Or ask for \$100 when they can give \$1,000.

However, there is no magic formula for predicting how much someone will *actually* give to your organization. Most gifts are built on affinity and relationships, so use philanthropic and wealth indicators as information to guide your efforts and ensure you're matching donors with qualified opportunities they can get behind.

These donor prospecting tools can help simplify this process for your team.



## 6. Execute Your Plan.

Follow your plan to the best of your ability, but don't be too rigid! Every great plan needs a little wiggle room for when things don't go exactly as you had hoped. Chances are, there will be some small flaws in your plan, but that's no reason to worry. Just adjust and take advantage of opportunities that arise as you go.

When executing the quiet phase of your plan, your capital campaign consultant will guide you with best practices for reaching out to major donor prospects. **And don't worry if some prospects say no!**

**After you have reached out to your prospective major donors in the quiet phase, it will be time to move onto the public phase.**

During the public phase of your plan, you will reach out to your donors who may give small to medium-sized donations. These donations may come from:

- Individuals
- Businesses

- Foundations
- Community groups

Draft different fundraising letters and asking techniques in order to reach out to these different audiences. For tips on how to ask each group for donations, look into the [solicitations guide by Double the Donation](#) to get the most from your ask.

Try forming digital and in-person groups and meetings with potential donors in this second phase of your capital campaign. Your goal is to build a relationship with these prospects through advanced communication and marketing techniques.

**Communication using your blogs, mail, community outreach, volunteers, etc., can make *all* the difference in strengthening ties with donors.**

Maintaining these relationships will not only help this campaign, but also create a strong base of donors for your next one too!

Make your next capital campaign a success with the six strategies in this guide. You've done your research, now get started with your big project!

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