

Capital Campaign

A **capital campaign**, by definition, is an intense effort on the part of a nonprofit organization to raise significant dollars in a specified period of time. Usually the money raised is to fund acquiring or renovating a building, but often the **campaign's** focus is on building an endowment for the future.

A capital campaign, by definition, is an intense effort on the part of a nonprofit organization to raise significant dollars in a specified period of time.

Usually the money raised is to fund acquiring or renovating a building, but often the campaign's focus is on building an endowment for the future.

In some cases, campaigns are initiated to fund extraordinary expenditures of a capital nature, such as an expensive piece of equipment for a hospital or a new fire truck for a fire company.

In cases where a capital campaign is for a new building or expansion of an existing facility, consideration should always be given to adding an endowment portion to the campaign goal.

Organizations need to remember that a larger facility will almost always involve increased operating expenses.

It is also important to remember that the focus of the campaign should not be on the building or amassing a large endowment fund, but on the benefits to the community that this facility or endowment will provide through expanded, increased or more efficient programming.

For many people, the emphasis in a capital campaign may be on the “pain.” Campaigns do tend to disrupt the routine of the development office and the entire organization may feel the strain of the extra effort required for a year, two years or more, depending on the size of the campaign.

However campaigns have several great benefits, which for many organizations offset the work involved. Some of these benefits include:

- **Raising the money to fund a one-time need for the organization**—in most cases having a building that meets the needs of the community served by the organization.
- **Strengthening the organization's infrastructure**—working on a campaign requires that the organization evaluate its readiness for a campaign, and subsequently build an infrastructure to run a campaign including staffing, board commitment, software to manage the campaign, gift acceptance policies, etc. This stronger infrastructure will leave the organization in a much better position to do ongoing fundraising.
- **Volunteer involvement**—most campaigns are very volunteer intensive often involving hundreds of volunteers in the organization's vision. A good campaign organization will include a post-campaign plan for retaining the involvement of volunteers.

- **Increased public awareness**—during a campaign, there will be great deal of publicity and cultivation efforts to help raise awareness of the organization in the community. These efforts, like the strengthened infrastructure, will help the organization's future fundraising efforts.

The organization first needs to decide whether they need a campaign, how much money they need to raise, and whether or not they are ready for a campaign.

Any discussion of a capital campaign should start with the strategic planning process. The board and staff must together evaluate the organization's needs for programs and services, and in the planning process should ask questions like:

- What is the potential for growth in our organization?
- How are the demographics of our constituents changing?
- Are we prepared to meet the needs of our community?
- Is our facility adequate to handle growing needs?
- If not, what do they need to do to improve their facilities?

Many organizations will plan a daylong retreat with board and staff, facilitated by a capital campaign consultant to lead them through this process. At this point often an architect or construction manager will also be brought in to help the organization determine how its facilities need to change in order to fulfill its mission.

The finance committee then needs to look at how the organization can finance these needs:

- Will the added programs bring in more revenue?
- Is a short-term loan needed to fund the early stages of construction?
- How much does the organization have in reserves that could be applied to construction costs?
- How much do we think we can raise in the community in a capital campaign.

Once the organization reaches consensus that a campaign is in order, a Steering Committee is then appointed to take the organization to the next step. Members of this Steering Committee usually include someone with experience in construction, finance, and fundraising. Both board and staff members generally serve on the Steering Committee.

A capital campaign, by definition, is an intense effort on the part of a nonprofit organization to raise significant dollars in a specified period of time. **Usually the money raised is to fund acquiring or renovating a building, but often the campaign's focus is on building an endowment for the future.**

In some cases, campaigns are initiated to fund extraordinary expenditures of a capital nature, such as an expensive piece of equipment for a hospital or a new fire truck for a fire company.

In cases where a capital campaign is for a new building or expansion of an existing facility, consideration should always be given to adding an endowment portion to the campaign goal.

Organizations need to remember that a larger facility will almost always involve increased operating expenses.