Fundraising

Whether gearing up for a capital campaign or are just looking to learn more about these intense fundraising endeavors, this guide has you covered.

You may be asking:

1. What is a capital campaign?
2. How does a capital campaign work?
3. What do I need to run a successful campaign?
4. Who should be involved in the campaign?
5. What does a typical campaign timeline look like?

Good news! We have the answers.

Let's dive in.

1. What is a capital campaign?

A capital campaign is a targeted, long-term fundraising endeavor designed to raise funds for a specific project within a defined timeline.

Capital campaigns are often used for tangible causes like building renovations or construction projects. As such, they usually entail multiple years of work and millions of dollars.
Healthcare and educational institutions most often embark on these ambitious projects, but any organization can take advantage of a capital campaign with proper planning and careful execution.

Because they’re such demanding projects, they're usually divided into distinct phases of fundraising, which we’ll cover in the next section.

2. How does a capital campaign work?

A capital campaign is divided into two main phases: the quiet phase and the public phase.

Let's discuss each in more detail.

The quiet phase

During the quiet phase of a capital campaign, you’ll reach out to major donor prospects and ask them for targeted gifts. From this small group of donors, you’ll raise the majority of your goal.

You should raise 50% - 70% of your overall goal during the quiet phase. The purpose is to build momentum for your campaign before you announce it to the public.

The quiet phase will involve in-person conversations between your frontline fundraisers and your top prospects.

It’s important to be candid during these conversations. Be upfront about your intentions when contacting major donors for gifts, and explain how much you need to raise.

The public phase

During the public phase, you'll launch your campaign to your entire donor base and the community at large.

This phase will make use of your existing communication channels as you reach out to donors through email, direct mail, social media, etc.

These smaller and mid-sized donations should account for the remaining 30% - 50% of your goal.

Since capital campaigns are divided into unique phases, it's important that your nonprofit prepares a communication plan for each distinct group of donors.

According to these campaign best practices, courtesy of Aly Sterling Philanthropy, your nonprofit should:

"Set a goal specific to each phase in your capital campaign to direct how you will communicate with donors. Make sure the budget falls in line with the budget for your overall campaign."

Anticipating the communication costs that you'll incur during each phase of the campaign is vital to ensuring your overall success.
3. What do I need to run a successful capital campaign?

What do I need to run a successful campaign?

There are many elements to a successful capital campaign, but these are the most fundamental to getting your campaign off the ground.

Case for support

A case for support, or case statement, is the most important aspect of your campaign. A case for support explains why donors should give to your campaign.

More specifically, a case for support is a concise overview of the purpose of your organization and why it deserves donor support. You likely already have a case for support that's communicated by your donation request letters or mission statement, but you'll need to develop one that's specific to your project and capital campaign as well.

Nonprofits that use a case statement to demonstrate their impact, needs, and course of action are more likely to meet their goals.

In short, a case for support should show donors:

- Why your campaign matters
- How much you need to raise
- How their donations can help

Feasibility study

A feasibility study will determine whether or not a capital campaign is viable for your organization.

After all, capital campaigns are expensive and complicated endeavors; it's important that an organization is well-equipped to handle the inevitable challenges.

Here's how it works: an objective third party representative interviews key stakeholders and focus groups to elicit their perceptions of your organization and the capital campaign.

The results of the study should show:

- Whether people would be willing to donate to your capital campaign
- How much you could reasonably raise from your current donor base
- How donors feel about the project and if they see it as instrumental to your cause
- If your board is supportive of the campaign
- The questions and concerns that donors have about the campaign

Ultimately, a feasibility study will guide the course of your capital campaign and determine your fundraising goal.

Marketing plan
A marketing and communications plan is vital for reaching your donors and ensuring that you achieve your fundraising goal.

A marketing plan will involve mapping out when and how you'll use your various communication channels to advertise your campaign to specific donors.

It's important that you **tell a story**, drawing from your case for support.

Why should donors care about the capital campaign? How does the campaign ultimately further your cause?

Address any recurring questions and concerns gleaned from your feasibility study in your outreach. Show donors that you value their feedback and want to meet them where they already are.

4. Who should be involved in the campaign?

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A capital campaign requires multiple leaders who are capable of filling the necessary roles.

As articulated in this [Double the Donation guide](https://www.doublethedonation.com/capital-campaigns):

"Without the support of board members, staff, and individuals within the area, a capital campaign has little to no chance of succeeding."

As such, it's important to get everyone on board. You can energize key team members with your feasibility study, but it's also vital that you fill in important internal roles.

Specifically, you'll need:

- Board and development committee. Your board and development committee will arrange budget priorities to fund your campaign. Their support is vital for getting your campaign off the ground.
- Campaign chair(s). The campaign chair will lead your campaign efforts, attending relevant meetings and directing staff and volunteers.
- Planning committee. The planning committee consists of 10-15 members, including staff and volunteers. They'll ensure everything is ready for the quiet phase.
- Steering committee. This committee oversees the campaign once it reaches the quiet phase. The steering committee should consist of effective advocates and solicitors who can actively raise funds.

In addition to building your in-house team, you'll want to consider hiring outside assistance in the form of a capital campaign consultant.

A consultant is an expert advisor who can help with specific campaign services and general campaign management. A consultant can be an enormous asset and resource for your team.
Most often, they're used as the objective third-party representative in a feasibility study. That said, consultants are usually hired for the duration of the campaign - as partners who can assist your nonprofit with new challenges and opportunities as they arise.

To learn more about the top consultants who can help your organization, check out this DonorSearch resource.

5. What does a typical campaign timeline look like?

Now that you understand the basic components of a capital campaign, it's important to understand how they progress (and ultimately, how they'll work together to help you achieve your fundraising goal).

Here's how the timeline works:

Step 1: Feasibility stage

During this stage, you'll perform your feasibility study and use the results to set your campaign goal and determine the effectiveness of your case for support.

Step 2: Pre-campaign planning

During this phase, you'll build your campaign strategy and list your major donor prospects. Additionally, you'll secure and train your leadership so that they're ready to execute the campaign.

This phase ends once you're prepared to ask for donations.

Step 3: Quiet phase

Now, you're ready to ask for major gifts!

Keep your team focused on reaching 50% - 70% of your goal - once you do, you're ready to move forward!

Step 4: Kick-off

Launch your campaign to the public with a kick-off. You should send out a press release and host an event (or otherwise catch the attention of your donors and the general public).

Have an online donation form ready to collect donations for your campaign as soon as you start the kick-off. You may want to build a separate website for your campaign or designate a donation page for the campaign instead of your annual fund.

Step 5: Public phase

During this phase, you'll collect donations from the general public.
Rotary presentations, media coverage, and one-on-one meetings with key community leaders can keep your momentum going until you reach your fundraising goal.

Step 6: Stewardship

It's vital that you thank donors for their gifts ASAP. And don’t just thank them - recognize them as the invaluable supporters that they are.

You may have a donor wall for high-level contributors, or you may send thank you notes to each and every supporter.

The key is to follow-up on their contributions and show them how much they mean to your organization. After all, you want to build **sustainable relationships** so that donors want to return to your nonprofit.

Be sure to update donors on post-campaign progress as well (they want to see that their donations have been put to good use!).

Stewardship is an ongoing process that doesn't simply end when your campaign does, so be sure to keep your outreach consistent so these donors stay connected to your mission.

Now that you know the basics to running a capital campaign, you can determine whether a campaign is right for your organization. Though challenging, a capital campaign can be incredibly rewarding. The more prepared you are, the better your chances of success!

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Image of Jenny Goldberg

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