

## GUIDE TO CREATING A CAPITAL CAMPAIGN PLAN: CONTENTS

*NOTE (9-17-10): This Guide wasn't designed as a template for a capital campaign plan. It was originally created as a tool and proposal attachment for California health center applicants submitting grant requests to the Tides Foundation's Community Clinics Initiative Major Capital Campaign Grants program (a funding program that no longer exists). That being said, it is still a useful document for self-assessment and for creating the broad outline of a capital campaign plan. It is strongly suggested that an organization embarking on a capital campaign hire campaign counsel to assist in designing a plan that is specific to your organization and constituency.*

### **A. Organizational Background-Assessment for Readiness**

1. Fundraising History
2. Board and Management
3. Organizational Culture
4. Community Relationships

### **B. Case Statement**

1. Project Description
2. Need for Project
3. Vision and Values
4. Impact on the Community
5. Benefits to Organization

### **C. Campaign Strategy**

1. Feasibility Study
2. Donor Identification by Constituency
3. Goal Setting
4. Fundraising Strategy and Timing
5. Project and Campaign Calendar
6. Stewardship and Cultivation
7. Capital Campaign Relationship to Organizational Fundraising
8. Events
9. Donor Recognition and Naming

### **D. Campaign Staff and Volunteers**

1. Staffing
2. Board Roles
3. Capital Campaign Committee
4. Consultant(s)
5. Education and Training

### **E. Materials and Communications**

1. Case Statement
2. Printed and Electronic Materials
3. Internal Communication
4. External Communication

### **F. Budgets**

### **G. Appendix**

1. Feasibility Study
2. Gift Charts
3. Case Statement
4. Integrated Capital Project Calendar
5. Printed Materials and Individual Donor Packets
6. Phased Sources & Uses of Funds
7. Estimated Capital Campaign Expenses

## GUIDE TO CREATING A CAPITAL CAMPAIGN PLAN: NARRATIVE

*Note: The questions under each section are intended to provide a guide to thinking about and outlining your strategy and activities in a narrative format. Feel free to add any other information that may be useful in describing your organization and your Capital Campaign Plan.*

### **Donor Constituencies**

*A capital campaign is generally defined as fundraising from private sources, particularly from individual donors. Small organizations or those that serve low-income communities, however, usually need to include all possible sources of funds in their capital campaigns. Therefore, **when describing your fundraising history as well as your capital campaign throughout the Plan, it is suggested that you address each of the following donor constituencies:***

1. Board of Directors
2. Staff
2. Corporations and Small Businesses
3. Individuals
4. Foundations
5. Other constituency specific to your organization

*Please also describe any funds raised from government sources.*

## **A. Organizational Background – Organizational Readiness**

*The organizational strengths and weaknesses as well as your level of experience identified in this brief analysis will be used to determine the strategy for your capital campaign plan.*

### 1. Fundraising History

- a. Describe the sources of funds from which your organization has received donations or grants. Include information for each donor constituency listed above.
- b. Within each constituency, describe the range of donation and grant amounts you have received. If your organization has received donations from individuals, what do you consider to be the size of a major gift?
- c. What fundraising staff and infrastructure does your organization have? Do you also use consultants? Describe your historical use of staff and consultants in fundraising efforts from each donor constituency.
- d. Has your organization previously had a capital project or conducted a capital campaign?
- e. If your organization has raised funds from individuals, who in the organization has done the asking?
- f. Does your organization have an Annual Giving Campaign?
- g. Has your organization conducted any direct mail appeals?
- h. Describe any history your organization has in doing fundraising events.

### 2. Board and Management

- a. What experience do your Board members and management staff have in fundraising in general, and in capital projects in particular?
- b. Does any of your Board or management staff have specific skills related to your capital project?
- c. Does any of your Board or management, or their families, have the capacity to give or get a large donation to your organization?
- d. Describe the leadership qualities of any Board or management staff as they may relate to fundraising and capital campaign activities.

### 3. Organizational Culture

- a. What is the attitude toward philanthropic giving and asking for donations on your Board? Amongst management?
- b. Have Board members donated to your organization?
- c. If your Board is primarily made up of consumers or those without substantial means, how has your Board participated in fundraising activities?
- d. Describe any ethnic or cultural issues that have inhibited your Board or management from becoming involved in fundraising activities.

### 4. Community Relationships

*If you have multiple locations in different cities, include both the community where the project is located, as well as the community where your primary site is located, as appropriate, in your answers to the following questions.*

- a. Is the external community (i.e. businesses, other nonprofit organizations, government agencies, residents in general) aware of your organization? Describe the extent of your organization's visibility in the community.
- b. What is the perception of your organization by those in the external community? Of your mission and services? Of your financial stability?
- c. What strategic relationships or connections does your organization have with the business community? The nonprofit community? The political community? Identify any collaborative relationships in which you participate.

## **B. Case Statement**

*Note: The Case Statement should be included in the Appendix and does not need to be included in the Plan narrative itself. You may want to create alternate Case Statements for differing needs; i.e. a One-Pager for a quick overview or a two to three page statement. You can use the following suggested outline to create your Case Statement.*

### 1. Project Description

- a. Provide a concise description of the capital project. Minimally include services to be provided, location, size, ownership, new construction or renovation, any collaborative partners, status of design and construction, total project cost, capital campaign goal and any other detail required to briefly describe the project.

### 2. Need for Project

- a. What is the need for the project in the community and for the expanded services that the project will provide?
- b. What is the need for the project in terms of your organizational requirements?
- c. What data was used to assess these needs?

### 3. Vision and Values

- a. How will your organizational mission be furthered by completion of the project?
- b. What organizational values will be enhanced or met by completion of the project?

### 4. Impact on the Community

- a. How will your organization better serve the community if the project is completed and the capital campaign is a success?

5. Benefits to Organization
  - a. What other, non-financial goals and benefits will the capital project and campaign bring to your organization?
  - b. How will the project and campaign help to deepen or build your organizational knowledge or infrastructure? Your fund development infrastructure and donor base?

## C. Campaign Strategy

*In describing your campaign strategy, include how you will overcome organizational weaknesses or how you will capitalize on organizational strengths that were identified in Section A: Organizational Background.*

1. Feasibility Study
  - a. Do you have a capital campaign feasibility study done by an external consultant? Who completed the study and what prior experience do they have with organizations similar to yours? (Include a copy of the study in the Appendix.)
  - b. If you have done a feasibility study, how much money did the study estimate that you could raise? From which donor constituencies?
  - c. What did your study accomplish besides identifying donors and donation amounts? Did it identify campaign leadership? Anything else? Explain
  - d. If you haven't done a study, explain why you decided not to. What internal process did you follow to determine the feasibility of your organization conducting a capital campaign and to determine your campaign goal?
2. Donor Identification by Constituency (*Include each donor constituency.*)
  - a. Using the information from your feasibility analysis, identify potential donors to your campaign by name and by donor constituency, from donors that have already given to your organization.
  - b. How will you identify new donors from each constituency? Describe how you will identify and reach donors who have no prior contact with your organization.
  - c. Include, as appropriate, a progress report showing the status of donors by name (i.e. already given, pending or targeted).
3. Goal Setting
  - a. What is your total capital campaign goal and how did you arrive at the amount?
  - b. What percentage of your total project cost does the capital campaign goal represent?
  - c. Does your goal include the costs of staffing the capital campaign as well as campaign associated expenses? (See attached *Estimated Capital Campaign Expenses*)
  - d. Provide (in the Appendix) a breakdown of your campaign goal by size of gifts and number of donors, as well as by donor constituencies. A suggested format for the Gift Chart is attached.
4. Fundraising Strategy and Timing
  - a. Describe the strategy (include goals, objectives and activities) and relative timing for raising funds from each donor constituency.
  - b. What dollar amount will be considered as a major gift?
5. Project and Campaign Calendar
  - a. How will fundraising timeline integrate with financing timeline (if applicable); with design and construction timeline?
  - b. How does timeline relate to project cash flow requirements?

- c. Include Integrated Capital Project Calendar in Appendix. A suggested format for the Calendar is attached.
6. Stewardship and Cultivation
    - a. What kinds of activities or events will you utilize to maintain relationships with your current donors from each donor constituency? (Stewardship)
    - b. What kinds of activities or events will you utilize to cultivate new donors from each donor constituency?
  7. Capital Campaign Relationship with Organizational Fundraising
    - a. How will the capital campaign integrate with (or compete with) general fundraising activities of the organization? Address the following:
      - i. Staff time
      - ii. Sources of funding
      - iii. Annual campaign
      - iv. Events
  8. Events
    - a. What campaign events will be planned and what is their purpose?
    - b. Who will staff events? Will you use outside event consultants?
    - c. Will the purpose of the events be for cultivation? Public relations? Fundraising?
  9. Donor Recognition and Naming
    - a. How will you recognize donors at each level of giving?
    - b. Will you have naming opportunities in the building?
    - c. If you have a write-up of donor recognition opportunities, include it as an attachment as part of your Individual Donor Packet.

## **D. Campaign Staff and Volunteers**

1. Staffing
  - a. Define each campaign staff position and their respective roles.
  - b. Define staff role in asking for money from each donor constituent group.
  - c. If staff position(s) are new, will staff be retained following the campaign?
  - d. Describe expected staffing pattern for fundraising and/or planning and development activities following the capital campaign?
2. Board Roles
  - a. What role will the Board as a whole play in the capital campaign?
  - b. What roles will any particular Board members play?
  - c. Do you have a Development Committee of the Board? What role will they play in the campaign?
  - d. What are the expectations of your Board for giving and for soliciting donations?
3. Capital Campaign Committee
  - a. Who will comprise the capital campaign committee?
  - b. How will leadership be identified and selected?
  - c. How will the campaign committee and the Board interrelate?
  - d. What are the expectations of committee members for giving and for soliciting donations?

4. Consultant(s)
  - a. Do you have a capital campaign consultant? Who is the consultant, and what experience does he/she have with capital campaigns for similar organizations?
  - b. If you have not hired a campaign consultant, explain why, and describe how you will acquire and/or utilize internal skills and experience instead.
  - c. Do you have other project consultants (i.e. project manager, financial consultant) and how will they coordinate with the capital campaign consultant?
  
5. Education and Training
  - a. How will cultural and ethnic issues regarding fundraising be addressed in your campaign? For internal staff and Board? For external donors and stake holders?
  - b. If you don't have a history of fundraising from private sources and from individuals, how will Board and staff training address the change from grant and contract-based fundraising to additional fundraising from private sources, as well as the different needs of those funders?
  - c. What is your plan for training Board members, other volunteers and management staff in asking for money?

## **E. Campaign Materials and Communications**

1. Case Statement (See Case Statement, above.)
  
2. Printed and Electronic Materials
  - a. Describe the written, electronic and graphic materials and resources you will provide for each donor constituency?
  - b. What floor plans, drawings and renderings will you include in materials?
  - c. What donor charts will you include in materials
  - d. What other supporting documentation will be included
    - i. Donor recognition and naming opportunities
    - ii. Information on organization and services
    - iii. Press clippings
    - iv. Pledge form
    - v. Project budget
    - vi. Project timeline
  
3. Internal Communication
  - a. How will you communicate ongoing information about the status of the campaign and the project to your staff?
  
4. External Communication
  - a. How will you communicate ongoing information about the status of the campaign and the project to the outside community and to donors?
    - i. Do you have campaign letterhead?
    - ii. Do you have a campaign newsletter?

## **F. Budgets**

*Provide budgets, and narratives as needed, for the project and for the capital campaign that include the suggested line items and information in the sample budgets, attached. The Sources & Uses of Funds should be the same as the project budget used in your Business Plan. Tie the Sources and Uses to the cash flow requirements for your project, taking into account the timing required for delivery of capital campaign funds at different stages of development. Include these documents in the Appendix.*

## **G. Appendix**

1. Feasibility Study *(Include a copy only if study was done by an external consultant)*
2. Gift Charts *(See suggested format attached)*
3. Case Statement
4. Integrated Capital Project Calendar *(See suggested format attached)*
5. Printed Materials and Individual Donor Packets
6. Phased Sources & Uses of Funds *(See suggested format attached)*
7. Capital Campaign Projected Expenses *(See suggested format attached)*

# Capital Campaign Gift Charts

The format for these two Gift Charts are adapted from The Kresge Foundation's required Gift Charts. They are both excellent tools to track the progress of your campaign and to use in proposals and reports to donors.

Name of Organization \_\_\_\_\_  
 Date of Report \_\_\_\_\_

## Scale of Gifts by Size Range

Gift Ranges	Number of Prospects and Total Campaign Dollar Goals		Gifts Received Including Formal Written Pledges		Balance of Prospects and Balance of Dollars to Raise	
	Number	Dollars	Number	Dollars	Number	Dollars
\$300,000 or greater					0	0
\$100,000 - 299,999					0	0
\$50,000 - 99,999					0	0
\$25,000 - 49,999					0	0
\$10,000 - 24,999					0	0
\$5,000 - 9,999					0	0
\$1,000 - 4,999					0	0
\$500 - 999					0	0
Less than \$500					0	0
					0	0
Government Sources					0	0
Long Term Debt Financing					0	0
Organization's Funds					0	0
<b>TOTALS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Gifts by Source

Donor Category	Number of Prospects and Total Campaign Dollar Goals		Gifts Received including Formal Written Pledges		Balance of Prospects and Balance of Dollars to Raise	
	Number	Dollars	Number	Dollars	Number	Dollars
Trustees					0	0
Staff					0	0
Corporations					0	0
Individuals					0	0
Foundations					0	0
Government					0	0
Long Term Debt Financing					0	0
Organization's Funds					0	0
Bequests					0	0
Other:					0	0
Other:					0	0
<b>TOTALS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Totals of the Scale of Gifts by Size Range and the Gifts by Source should equate.



*SAMPLE INTEGRATED CAPITAL PROJECT CALENDAR																				
											Groundbreaking									
											Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06				
<b>Design &amp; Construction; Collaborations</b>																				
Obtain use permit	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06
Collaborative housing partner applies for tax credits					Finalize and sign revised MOU															
					Complete schematic drawings															
					Begin Design Development															
					Contractor RFQ and Selection															
					Construction contract negotiation and sign															
					Cost estimate finalized															
					Complete design development drawings															
					Begin construction documents															
					Hire interior design consultant for FF&E															
					80% construction documents															
					IGMP Contract															
					Final construction documents															
					Construction bids															
					Obtain permits															
					Start construction															
					Begin design and purchase of FF&E															
					End Const-May															
<b>Short Term &amp; Long Term Financing</b>																				
	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06
Determine initial sources & uses and update numbers ongoing																				
Retain underwriter and Hire bond and corporate counsel																				
Finalize structure & borrower issues with Lender/Credit Enhancer and bond counsel																				
					Obtain short term predevelopment loan															
					Prepare application to Lender/Credit Enhancer															
					Complete feasibility study															
					Select issuer; prepare and submit application															
					Submit application to Lender/Credit Enhancer															
					Select additional financing team members															
					Identify bridge financingsource and apply															
					TEFRA hearing															
					Meet with construction team re: lender needs															
					Complete appraisal															
					Lender Loan Committee															
					Bond Document process begins															
					Due Diligence and board resolution															
					Close bridge financing															
					CLOSE PERMANENT FINANCING															
					Trustee disbursements ongoing															
<b>Capital Campaign</b>																				
Hire campaign consultant	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06
Determine campaign plan; create gift chart; identify prospects ongoing																				
Finalize case statement and foundation proposal boilerplate																				
Hire campaign support staff																				
Submit capital campaign proposals to foundations and corporations (ongoing through end of construction May 06)																				
Meet with Board Development Committee																				
Form capital campaign committee																				
Ongoing capital campaign committee meetings begin																				
Complete collaterals for individual campaign																				
Planning, prospecting and cultivation of individuals begins																				
Active solicitations to individuals through May 06																				
Apply to Kresge (if appropriate) for March docket																				
Form Art committee for purchase of artworks																				
Kresge Challenge period begins-16 months																				
Public kick-off																				
Finalize naming opportunities																				
Continue found/corp. fundraising for bldg & art to 6/30/06																				
Continue ind. donor soliciting for bldg & art to 6/30/06																				
Complete donor wall																				
Meet Kresge.Ch. 6/30																				
End campaign																				
<b>** NOTE: This is a sample calendar and does not include all required activities for any given project. It is provided ONLY as one example of how to integrate different kinds of activities in one calendar.</b>																				

SAMPLE Phased Sources & Uses of Funds (with insured tax-exempt bonds)						
Phase I: Predevelopment/Start Capital Campaign - January 2002-February 2005						
Phase II: Closing of Tax-Exempt Bond Issuance - February 2005						
Phase III: Construction - March 2005-May 2006						
Phase IV: Move-In and End Capital Campaign - June 2006						
			1/02--2/05	2/05	3/05--5/06	6/06
		<b>Total</b>	<b>Phase I</b>	<b>Phase II</b>	<b>Phase III</b>	<b>Phase IV</b>
<b>SOURCES OF FUNDS</b>						
INTERIM LOANS:						
Predevelopment Loan		400,000	400,000			
Bridge Loan against Capital Campaign		500,000		500,000		
Subtotal Loans		900,000	400,000	500,000	-	-
PERMANENT FUNDING:						
Organizational Equity		250,000	150,000		100,000	
Capital Campaign		1,750,000	162,832	1,087,168		500,000
Tax Exempt Bonds		8,000,000		8,000,000		
Subtotal Permanent Funding		10,000,000	312,832	9,087,168	100,000	500,000
<b>TOTAL SOURCES WITH LOANS</b>		<b>10,900,000</b>	<b>712,832</b>	<b>9,587,168</b>	<b>100,000</b>	<b>500,000</b>
<b>USES OF FUNDS</b>						
LAND						
Land Cost		419,877	25,000	394,877		
Taxes		14,421		14,421		
Off site improvements		11,800		11,800		
Subtotal Land		446,098	25,000	421,098	-	-
PREDEVELOPMENT						
Architectural Contract		443,675	393,675		50,000	
Survey and Engineering		3,139	3,139			
Appraisal Costs		9,418	9,418			
Interest: Predevelopment loan		24,000	24,000			
Legal/Broker/Title Fees		3,924	3,924			
Environmental and Soils Reports		10,595	10,595			
Interior Design Costs		25,443	25,443			
Subtotal Predevelopment		520,194	470,194	-	50,000	-
NEW CONSTRUCTION						
Site Work		138,281			138,281	
Structures		4,316,095			4,316,095	
General Requirements		356,350			356,350	
Contractor Overhead		133,631			133,631	
Contractor Profit		133,631			133,631	
Subtotal New Construction Costs		5,077,988	-	-	5,077,988	-
Construction Contingency	10%	507,799			507,799	
Subtotal New Construction		5,585,787	-	-	5,585,787	-
CONSTRUCTION RELATED						
Construction insurance		98,102			98,102	
Permits and Fees		68,672			68,672	
Construction testing		25,507			25,507	
Developer fee		220,000			220,000	
Construction manager		21,190			21,190	
Subtotal Construction Related		433,471	-	-	433,471	-
FINANCING COSTS						
Costs of Issuance		354,500		354,500		
Lender Certification and Inspection fee		32,000		32,000		
Upfront Insurance premium		533,718		533,718		
Subtotal Financing Costs		920,218	-	920,218	-	-
OTHER						
Furniture, fixtures & equipment		301,480			301,480	
Moving costs		15,000				15,000
Capital Campaign Costs		312,175	156,088		156,088	
Soft cost contingency		35,000	11,550	11,550	11,900	
Subtotal Other		663,655	167,638	11,550	469,468	15,000
<b>TOTAL USES</b>		<b>8,569,423</b>	<b>662,832</b>	<b>1,352,866</b>	<b>6,538,725</b>	<b>15,000</b>
FUNDED RESERVES						
Debt Service Reserve Fund		605,577		605,577		
Capitalized Interest (20 months)		800,000		800,000		
Repairs/Maintenance Reserves		25,000				25,000
Subtotal Funded Reserves		1,430,577	-	1,405,577	-	25,000
<b>TOTAL USES WITH FUNDED RESERVES</b>		<b>10,000,000</b>	<b>662,832</b>	<b>2,758,443</b>	<b>6,538,725</b>	<b>40,000</b>
LOAN REPAYMENTS						
Predevelopment Loan		400,000	50,000	350,000		
Bridge loan against capital campaign receipts		500,000				500,000
Subtotal Loan Repayments		900,000	50,000	350,000	-	500,000
<b>TOTAL USES WITH LOAN REPAYMENTS</b>		<b>10,900,000</b>	<b>712,832</b>	<b>3,108,443</b>	<b>6,538,725</b>	<b>540,000</b>
<b>SURPLUS/(DEFICIT)</b>		<b>-</b>	<b>-</b>	<b>6,478,725</b>	<b>(6,438,725)</b>	<b>(40,000)</b>
Starting cash		-	-	-	6,478,725	40,000
Ending cash		-	-	6,478,725	40,000	0

Estimated Capital Campaign Expenses: Sample Template					
Campaign Length (Number of Years, Dates):					4
Campaign Goal:					
Total Project Cost:					
<b>Salaried Personnel</b>		FTE	Annual	# of Years	Total
Executive Director		10%			4
Director of Development		85%			4
Campaign Associate		50%			3
Subtotal Salaries					
Fringe Benefits		26%			
<b>Subtotal Salaried Personnel</b>					
<b>Consultants</b>					
Feasibility Consultant					
Capital Campaign Counsel					2
<b>Subtotal Consultants</b>					
<b>Campaign Materials</b>					
Design and Printing					3
Postage and Mail Services					2
Architectural Drawings					
Electronic Materials					
<b>Subtotal Campaign Materials</b>					
<b>Hospitality and Travel</b>					
Meetings					3
Food and other Hospitality					3
Travel					
<b>Subtotal Hospitality and Travel</b>					
<b>Donor Recognition</b>					
Design					
Hard Costs					
<b>Subtotal Donor Recognition</b>					
<b>Database</b>					
Software					
Training & Troubleshooting contract					3
<b>Subtotal Database</b>					
<b>Subtotal Campaign Costs</b>					
<b>Overhead (office expenses)</b>			10%		
<b>TOTAL CAMPAIGN COSTS</b>					
Cost of Campaign as percentage of Goal					%
(Note: Usually 12-15% of Campaign Goal)					