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GUIDE TO CAPITAL CAMPAIGNS

1. What is a capital campaign?

A capital campaign is a systematic effort to unite a congregation in financing a mission-driven need within a specified time period.

2. What are the benefits of a capital campaign?

A capital campaign educates a congregation on the principles of biblical giving, creates an atmosphere of spiritual growth, and advances the church's long-range plans.

3. What types of projects often require a capital campaign?

Capital campaigns are often necessary to support construction, renovation or expansion of church facilities, to reduce debt, or to fund an endowment.

4. What signs indicate that it may be time to consider a capital campaign?

- Facilities are maximizing their potential.
- Lack of space is hindering worship, fellowship, education, or outreach.
- Shortage of resources is stalling long-range plans.
- Maintenance, safety and accessibility issues are being deferred.

5. How will a capital campaign affect our annual giving?

A well-designed and implemented campaign focuses members on the importance of their financial investments to ongoing and above-and-beyond giving, resulting in increased annual giving during and after the campaign period.

6. How much time should elapse between capital campaigns?

Campaigns should be need driven; a growing church may require successive campaigns. A two to three year break, however, is usually advisable.

7. What are the key components of a successful capital campaign?

- Clear and unifying vision that supports the mission and long-range plan
- Positive and prayerful attitude
- Compelling case for the project
- Bold but achievable goals
- Strong pastoral leadership
- Dedicated volunteer leadership
- Skilled campaign counsel
- Thorough planning study
- Identifiable major donors
- History of successful annual campaigns
- Past success in capital campaigns

8. How long is a capital campaign?

From conception to completion, a capital project may take three to four years. Engage experts as early as practical and allow at least 16 weeks to conduct the planning study, solicit major gifts and publicly launch the campaign. Pledges are generally paid over a three-year period.

9. What are the major steps in a capital campaign?

- Identify a clear mission-driven need
- Build congregational consensus around that need
- Seek the advice of your district superintendent
- Hold a charge conference to approve the capital project concept
- Hire a campaign consultant
- Organize volunteer and staff leadership
- Engage professionals (such as architects, engineers) to illuminate concepts and solutions
- Conduct a planning study
- Finalize project details such as architectural plans and fundraising goals.
- Submit plans to the district building committee
- Secure financial commitments from campaign leaders
- Solicit major donors
- Plan events and produce campaign materials
- Launch public phase of campaign
- Collect campaign pledges
- Thank donors and celebrate victory
- Implement the project

10. How do you determine capital campaign goals?

For construction or renovation, architects and engineers can help you to determine potential costs for implementation of the project. A campaign consultant can estimate the cost of conducting the campaign, the future budget implications of the new facility, and your fundraising potential. A general rule of thumb is that a healthy church can raise 1.5 to 2.5 times the prior year's income for a three-year campaign. A thorough planning study conducted by a professional consultant is, however, the best way to determine a more accurate fundraising projection.

11. What percentage of total project costs should be raised through a capital campaign?

The Methodist Church suggests a maximum of one-third of the total project be funded through long-term debt. Therefore, a minimum of two-thirds of a capital project should be funded through outright gifts and multi-year pledges, which are typically paid within three years. Ideally a capital campaign will raise 75 - 100% of the total project costs and may even include an endowment portion to offset future maintenance.

12. Do we need a planning study?

Yes! A planning study gives members a confidential opportunity to express their feelings while allowing a professional consultant to identify strengths and obstacles and to refine the campaign plan. It also clarifies the direction, message and fundraising potential, and serves as donor cultivation.

13. What is the best method to meet an ambitious fundraising goal?

The most effective, proven method for securing major campaign gifts is for trained volunteers who are personally invested in the project to conduct personal solicitations. A successful major gift phase then inspires more pledges at a sacrificial level from other members.

14. Should we hire a campaign consultant?

Yes! A professional consultant brings experience, objectivity and efficiency that can be vital to a campaign's success. A good consultant keeps the campaign on track, helps you to set achievable goals, and increases your likelihood of financial success and a positive growing experience.

15. How should we choose a campaign consultant?

All consultants are not equal. Consider a range of options and be sure to meet the actual consultant with whom you will be working – not just a salesperson. Evaluate success in previous fundraising efforts and thoroughly assess references. Look for consultants with real-world fundraising experience outside of their consulting role. Your consultant especially needs to understand that a church capital campaign is about spiritual growth as well as securing the resources to grow ministry, but beware of consultants who focus so much on spiritual matters that they gloss over financial realities. Look for a good fit with a person and an organization that share your values and invest in your success.

Founded in 1984, the Georgia United Methodist Foundation is a nonprofit organization that helps United Methodist churches, agencies and individuals multiply their financial resources for mission and ministry. The Foundation offers fundraising, investment, loans and planned giving services. For more information on capital campaigns, please contact John Riley, director of fundraising services, at 770.449.6726 or 877.220.5664 or e-mail jriley@gumf.org.