



CAPITAL CAMPAIGNS: THE BOARD'S ROLE

Many organizations choose to fund growth through a capital campaign — a multi-year effort to raise a large amount of money for a specific purpose, such as a building project, the expansion of programs, or the acquisition of an endowment. Capital campaigns are typically a huge stretch for an organization compared to what it raises annually. In most cases, funds are sought from all available sources — individuals, corporations, foundations, and governments — and much of the money is raised in face-to-face solicitations.

More than any other fundraising engagement, capital campaigns are dependent on the board's commitment. The board must fully support the idea, be ready to commit the time and effort, participate in events, and help materialize the major part of the lead gifts, the top gifts that justify the continuation of the campaign. Overall, the board operates on two levels during a campaign: It supports or endorses key decisions, and it helps raise money.

Is your organization contemplating a capital campaign? Is your board ready to support the effort? Here's some information on the board's role in a capital campaign.

1. UNDERSTAND THE KEY STEPS IN A CAPITAL CAMPAIGN.

- Define the project.
- Describe the reasons for conducting the campaign.
- Test the market/conduct a feasibility study.
- Set the campaign goal.
- Recruit the campaign leaders.
- Develop a campaign plan.
- Identify and cultivate potential donors.
- Solicit leadership gifts.
- Announce the campaign to the public.
- Recognize and thank donors.
- End campaign and celebrate.

2. ORDER THE FEASIBILITY STUDY.

A feasibility study is an essential first step and is usually conducted by an external consultant. It consists of a series of confidential interviews or focus groups with the organization's key supporters and prospective major donors to get their reaction to the project and its cost. This information is used to determine if a campaign has a good chance of succeeding.

3. EVALUATE THE FEASIBILITY STUDY AND DETERMINE WHETHER THE CAMPAIGN IS WORTH THE EFFORT.

Consider these questions:

- Is the project consistent with the organization's mission and goals?
- Is the project something the organization actually needs to advance its mission or simply wants?
- Will the project have a meaningful impact on the organization and its constituents?
- Is the project urgent? Is the moment right to launch a capital campaign?
- Will the campaign strike potential donors as exciting and vital?
- How will the campaign itself be funded? Is the organization prepared to make a case for using a percentage of the funds raised to implement the campaign? (See [Measuring Fundraising Effectiveness: Why Cost of Fundraising Isn't Enough](#).)?

If the feasibility study raises serious doubts about the campaign's chance of succeeding, the board should consider scaling back, postponing, or abandoning the effort.

4. ENDORSE THE CAMPAIGN GOAL AND COMMIT TO BE INVOLVED IN THE CAMPAIGN.

Campaign goals are the benchmark by which a campaign's success is measured. Consider these questions:

- Is the goal reasonable? Does the feasibility study indicate that it can be met?
- Does the organization have a successful history of fundraising? Have there been prior campaigns? Have they been successful?
- Is the board positioned to step up its fundraising efforts to ensure the goal is met?

5. APPOINT THE CAMPAIGN LEADERS.

The board chair appoints the members of the campaign steering committee, which will play a leadership role in planning and executing the campaign. The organization's staff usually manages the logistics of the project and campaign.

6. IDENTIFY AND CULTIVATE POTENTIAL DONORS.

The board should review the list of current donors to help determine which donors might have an interest in the campaign and how they might be willing to give and then help cultivate those they have relationships with.

7. HELP SOLICIT LEADERSHIP GIFTS.

Board members and staff work together to solicit the largest gifts the organization expects to receive during the campaign. These gifts may represent as much as 80 percent of the total amount to be raised. This is sometimes called the quiet phase because it takes place before the campaign has been announced to the public. The quiet phase is often the most important stage of the campaign as the organization concentrates its efforts on a small number of prospects with the most potential. If the leadership gifts do not materialize, the board should consider scaling back the campaign.

8. PARTICIPATE IN THE PUBLIC PHASE OF THE CAMPAIGN.

After securing the leadership gifts, the organization announces the campaign to the public. At this time, board members should take advantage of every opportunity to discuss the campaign and the organization's work with their networks, attend campaign events, and continue to cultivate donors, solicit gifts, and thank donors. All members should also make a personal donation to the campaign that represents a financial stretch for them.

9. MONITOR THE PROGRESS OF THE CAMPAIGN AND MAKE CHANGES IF NECESSARY.

Even the best planned and organized campaign can fall short of its goal. The board should monitor performance and strategize should a shortfall occur. Options include trimming down the original plan, cutting costs, finishing the project in phases over a longer period of time, extending the length of the campaign, and going back to major donors to make a case for additional funding.

10. HELP END THE CAMPAIGN AND CELEBRATE.