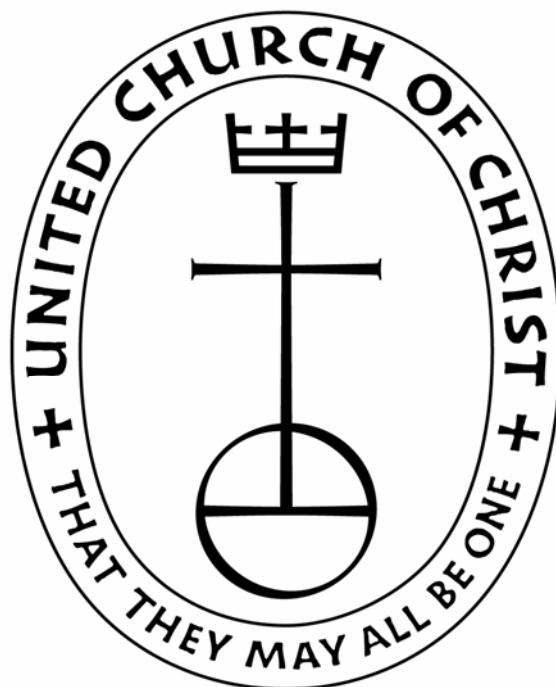


A Guide To Capital Campaigns



UNITED CHURCH
OF CHRIST

**MASSACHUSETTS
CONFERENCE**

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CONTENTS

What is a Capital Campaign?	3
Why do a Capital Campaign?	4
What good effects may come from a successful Capital Campaign?	4
Should our campaign include a mission component?	5
How do we determine our goal?	5
What is a feasibility study?	6
Should we use outside consultants?	6
How do we choose a consultant?	7
How long does it take to do a Capital Campaign?	8
When should we <u>not</u> do a Capital Campaign?	8
What is involved in doing a campaign?	8
What if we still have questions?	9
Capital Campaign Organization <i>(From Capital Campaign Manual of the MACUCC)</i>	10
Capital Campaign Services of the Massachusetts Conference United Church of Christ	14
Capital Campaign Consultants	16

What is a Capital Campaign?

A Capital campaign is part of the Financial Trinity of financial support by church members & friends to the ministries and mission of the local church. The other two sources of support are Annual Pledges and Planned Giving.

The purpose of a Capital Campaign is generally very specific and typically building related, though capital campaigns have been conducted to support specific mission projects, to fund endowments and for other church projects. More often mission and other purposes will be added onto a campaign initially launched for a building-related purpose.

Capital Campaigns combine giving from both the accumulated assets and the annual income of church members & friends. Many large gifts typically come from donor's investment portfolios, while givers of more modest means will often make a pledge paid periodically (weekly, monthly or yearly) from their ordinary income. Some gifts may be "in kind" as when the donor is in the building trades. Whatever the source or nature of the gift, Capital Campaigns tend to generate sacrificial giving well beyond what is ordinarily experienced in Annual Giving.

A Capital Campaign is a major event in the life of a church, often of historic significance (for example, a building addition, and installation of handicap access, major rehabilitation or a new organ). It will be the biggest event in the memory of most members. Typically, Capital Campaigns are not conducted more often than every 10 years or so.

A Capital Campaign is a faith defining moment in the life of the congregation. The questions "Who are we?", "What are we about?" and "What is our purpose?" are raised and answered. The project becomes understood in the context of how it advances the mission of the church. A theme will be established, such as "Lighting the Way" or "Open Wide the Doors", which will echo in the minds of members long after the campaign is over.

Why do a Capital Campaign?

The only reason to undertake a Capital Campaign is because the congregation has discerned it to be God's will. Here are some underlying reasons why other churches have discerned a Capital Campaign to reflect God's will for them:

1. God's people are challenged to examine their faith and commitment to Christ as lived out in the life of the church, as they are invited to give sacrificially out of accumulated assets and ordinary income;
2. Resources are provided to support the body of Christ in its work, such as renovating the sanctuary to provide a beautiful worship environment, handicap access, new or better education space for our children, etc.
3. God's people are given an opportunity to use their wealth to do something that reflects their love of God and of each other. Many will find a renewed sense of faith, vision, hope and commitment to the church.
4. There is outreach to people on the margins of the church, inviting them to participate in and to serve the body of Christ. Many who have not been seen around church in a long time, and who do not even support the annual budget, will support, sometimes significantly, a Capital Campaign. There is more likely to be complaints from those who were overlooked during the campaign than from any who were asked to participate.

What good effects may come of a successful capital campaign?

A successful capital campaign can have a tremendous positive effect on the overall morale of the church, as a sense of unity and common purpose develops. This boost in morale often leads to increased giving to current church expenses and to mission. Although during the time campaign pledges are being paid (usually three years), the annual pledges may be flat, many members,

having been accustomed to giving perhaps double or triple normal, will continue giving at a higher rate once the pledges to the campaign are paid.

Another common effect observed by many churches is increased attendance at worship.

A successful Capital Campaign provides the resources needed by the church to carry out its mission.

Should our campaign include a mission component?

The use of a mission component as part of a capital campaign will not only “do good”, but will also increase excitement, commitment and improve the likelihood of success.

How do we determine our goal?

A reasonable goal for most churches is between 1 ½ and 4 times the annual giving. The least exciting campaigns are to pay off debt, and they generally raise about 1 ½ times the amount of annual giving. A new facility is one of the most exciting campaigns and generally will raise up to 4 times the amount of annual giving. One church which had burnt down raised 8 times the amount of its annual giving to rebuild! Campaigns to finance projects such as deferred maintenance or handicap accessibility generally raise between 2 ½ to 3 times the amount of annual giving. These are only rules of thumb. For any number of reasons, the actual potential may be much more or much less.

As your church considers its project, it should look at all its capital needs for the next 5 to 10 years. You are unlikely to have another capital campaign for a long time. More churches make the mistake of setting their goal too low than set it too high. While that being said, it is also true that it is easier to raise funds for a single large project, such as a new building wing, than for a laundry list of smaller items. If your needs and projects are varied, it will be important to find a way to link them together under a single theme.

For help in determining an appropriate goal for the unique situation of your church a feasibility study is advisable, and should be considered essential if you are considering a goal over \$500,000.

What is a feasibility study?

The feasibility study is a market survey that tells you how close your key church members and leaders are to making financial commitments that will help you reach your dollar goal. Since approximately 80% of the money received in a capital program will come from approximately 20% of your donors, it is absolutely essential that your leadership gift prospects be completely familiar with the campaign purposes and be ready to make the largest gift they can.

The feasibility study involves individual, confidential interviews with approximately 30% of your giving units, including 80% of the top 20%. The interviews are arranged by local church leaders, with invitations issued by letter from the pastor and/or key lay leader, and scheduled during follow-up phone calls. The interviews are conducted by an outside consultant, who will make a confidential report of the results to the planning committee.

During the interview, each person will be asked the same questions. They will include such issues as: (1) the prospect's understanding of the purpose of the capital campaign; (2) the prospect's level of confidence in the church's pastoral and lay leadership; and (3) the prospect's willingness to participate with a financial commitment, and to provide active leadership and support.

On the basis of the consultant's report of the interview results, the planning committee will be able to make informed decisions about: (1) the dollar goal for the campaign, (2) the timing of the campaign, and (3) the leadership for the campaign. Usually the consultant will also be engaged to serve as the campaign director.

Should we use outside consultants?

Yes! Even if your church has experienced and capable fundraisers in it, the use of independent consultants is advisable. Consultants will be able to give an honest, detached view of the church. They will be able to prod those involved in the campaign to stay on task, and they can take the heat if there is any

dissatisfaction with the campaign. It takes a tremendous amount of energy and expertise to create the enthusiasm, organize the campaign, and shepherd it through to conclusion. Also, psychologically, people will pay attention to, and follow the advice of, an outside paid professional more than they will to a volunteer, regardless of the volunteer's ability. A financial investment creates a psychological investment in the enterprise.

The use of the right consultant will significantly increase your likelihood of reaching your campaign goal, and will more than pay for the fee involved. Where the capital campaign is such a big event in the life of the church and since you are only going to have a capital campaign every ten years or less, you want to do it right. You certainly do not want the campaign to turn into a morale deflating failure.

How do we choose a consultant?

You should be looking for experts in church capital campaigns of proven faith and commitment. Church capital campaigns are unique, and differ in many ways from other campaigns by organizations such as hospitals. The faith component to the campaign cannot be understated, and the consultant must be someone who understands and speaks the language of faith.

It is important to ask for references and to check them thoroughly. Ask for references other than what are on their list. It is not uncommon for different churches to have very different experiences with the same consultant. Dig for answers to why they were successful in one church and not another.

Beyond that, it is important to have positive "chemistry" with your consultant. Interview several. Make sure their philosophy, style, personality and attitudes match that of the congregation.

Of course, make sure the fee arrangement is clearly understood and all costs as well as services to be provided are spelled out in a written contract.

How long does it take to do a Capital Campaign?

The campaign itself usually runs for about thirteen weeks, from the formation of the Campaign Executive Committee to Celebration Sunday when the pledging part of the campaign wraps up.

Prior to the launching the campaign, the project needs to be clearly defined, the project cost estimated, a financing plan developed and the campaign goal established. This may very well take up to a year or more.

The pledges themselves are generally paid in over a three year period. You can usually expect about 40% to be paid in the first year, 30% in the second year, and the balance by the end of the third year.

When should we not do a Capital Campaign?

It is inadvisable to do a capital campaign if the church is in the midst of conflict, or if your church has an interim minister.

A successful campaign requires the support and vote of at least 85% of the entire congregation.

What is involved in doing a campaign?

A capital campaign will actively involve 50% of your congregation. This builds ownership and excitement. There is something for everyone! The artistic will create brochures, banners and posters. The sociable will call on people. The hospitable will put on the kick-off dinner. These are the roles and task groups you should expect to have: Campaign Administrator(s); Minister; Advance Gifts task group; Church Family Gifts task group; Publicity task group; Brochure task group; Kick-off Dinner & Program task group; Recording, Acknowledgment & Follow-up task group; and Prayer task group.

Although you will have a consultant, it is still your campaign and you are going to do the work. Your people will give to you, not to outsiders.

It may look like a lot of work, but the active involvement of so many, some of whom do not typically serve on committees, will generate wonderful

secondary benefits for all who participate – higher morale, commitment, excitement and the sense of being part of a vital endeavor greater than themselves.

What if we still have questions?

Contact Andrew Gustafson, your Associate Conference Minister for Stewardship and Financial Development at (508) 875-5233 or by e-mail: gustafsona@macucc.org. He is available to answer all your questions and will visit your church if you wish to explore Capital Campaigns, or any other stewardship matter further.

CAPITAL CAMPAIGN ORGANIZATION

From the *Capital Campaign Manual* of the Massachusetts Conference
United Church of Christ.

CAMPAIGN EXECUTIVE COMMITTEE

Campaign Chair/s
Advance Gifts (and Evaluation) Chair/s
Church Family Gifts Chair/s
Publicity Chair/s
Brochure Chair/s
Kickoff Dinner & Program Chair/s
Administrative Support Chair/s
Recording, Acknowledgement & Follow-up Chair/s
Prayer Group Chair/s
Member/s-At-Large (optional)
Building/Projects Chair/s
Planned Gifts Chair/s (optional)
Minister

Recruitment of Campaign Leadership

Key to a successful campaign is the selection of lay leaders to chair the Task Groups and serve on the Campaign Executive Committee. Consultant and Ministerial guidance and support are essential, but lay leaders should bear the basic responsibility. To achieve maximum results, the most capable lay leaders must be recruited to these responsible positions. It is advisable to select co-chairs for each task group for two reasons: it takes the full load off one person's shoulders, and it gives the church an opportunity to bring along new leadership by pairing an experienced leader with a newer member.

The following steps should guide the recruitment process:

1. **Define the Job:** Clearly state the purpose, goal, standards of performance and ultimate benefits in accepting campaign leadership. Interpret the time investment and when the task responsibility begins and ends.
2. **Provide Support:** Share the names of those already involved. Assure prospects of individual and collective support during the Campaign.
3. **Select the Best Qualified Persons:** Campaign leaders should be blessed with gifts to execute assigned tasks well, highly committed to the project, and willing to support it with a worthy financial commitment. These criteria are more important than a person's experience in church leadership, popularity, or willingness to serve. Do not wear out your tested leaders - create new ones.

4. **Say, "You are the Best Qualified":** Don't merely ask someone to serve, tell him or her that, "after considering all the options, you are absolutely the best choice for this role." With confidence, anticipate an affirmative response.

Campaign Roles in Recruitment Order

The invitation to serve as **CAMPAIGN CHAIR/S** should be presented by a prominent lay person (often the church moderator or president) and senior minister. The Campaign Consultant may also be involved.

Invitations to serve as a **TASK GROUP CHAIRS** and **MEMBERS-AT-LARGE** (if any) should be extended by the Campaign Chair/s.

With coordination by the Chair/s and input from Campaign Consultant, each Task Group Chair manages the recruitment and productivity of his or her own Group.

CAMPAIGN CHAIR/S

Step one is recruitment of the Campaign Chair/s. This person/s must be widely respected within the congregation, have a solid relation with the minister/s, be willing to keep in close touch throughout with the Campaign Consultant, have good communication and organizational skills, plus a capacity and disposition to make a top Advance Gift. This position requires significant time and energy to administer the program over twelve-fifteen weeks or so. The Campaign Chair/s should begin recruiting Task Group Chairs only after reviewing the respective tasks as set forth below and throughout the Campaign Manual.

ADVANCE GIFTS (& EVALUATION) CHAIR/S

These leaders, besides being knowledgeable about and highly regarded within the congregation, must offer one of the larger gifts in the campaign. Indeed, all serving on this Group will need to be among the top 10-20% of donors providing 60-80% of the campaign's total goal. Only this will allow them to visit all top prospects as "peers" -- that is as folk asking for support at a level they will have already provided.

CHURCH FAMILY GIFTS CHAIR/S

As the Chair/s responsible for recruiting and monitoring the largest Task Group, this chair/s should be an organized, respected, motivational and committed leader. Church Family Gifts visitors will call in the homes of church members and friends not among the relatively few identified as Advance Gifts prospects.

PUBLICITY CHAIR/S

The Publicity Task Group's significant charge is to create excitement and to share information about the campaign and the project/s it will fund. Most of its work will

appear "in house", but public media also merit attention. Press releases highlighting the real news of the capital campaign - its purpose/s and the persons who are serving in leadership roles - should be prepared for local newspapers and the church website. This Task Group may also prepare a Campaign Video for use at the Kickoff Dinner and beyond. This Chair/s should be creative, team-oriented, and have a sharp sense of humor and fun.

BROCHURE CHAIR/S

A motivated, well-organized person with skills in writing and, ideally, graphic design will handle this task well. It is essential that the brochure - the campaign's primary interpretive tool - and accompanying materials (stationery, envelopes, pledge cards, envelopes, dinner invitations, pledge acknowledgement forms) be delivered as specified by the Time Line. Any delays will hamper other Task Groups' efforts.

KICKOFF DINNER & PROGRAM CHAIR/S

This Chair/s coordinates all meal and program arrangements for the Kickoff Dinner, to which all members and friends are invited as guests of the campaign. Usually one Chair specializes in the dinner and the other Chair develops the program. This Task Group can easily accommodate three Chairs.

ADMINISTRATIVE SUPPORT CHAIR/S

This chair will take minutes of Campaign Executive Committee meetings, and recruit and schedule assistance for copying and assembling mailings and visitor packets.

RECORDING, ACKNOWLEDGMENT & FOLLOW-UP CHAIR/S

The best qualified persons to head this group will be accustomed to maintaining accurate financial records, can be depended upon to keep all information confidential, and to work with the Campaign Consultant on format and content of the records. In accordance with Safe Church guidelines, one Chair would open and copy checks and cash received, and the other Chair would record the checks and send out acknowledgement cards. This Task Group also coordinates with the Campaign Chair in follow-up of pledges and related campaign activity throughout the entire campaign pledge period, usually meeting on a quarterly basis. These Chairs also direct follow-up with any donors whose commitments fall behind, by a month or more, the payment schedule they offered.

PRAYER GROUP CHAIR/S

This chair/s should be a person of deep spirituality who believes in the power of prayer. Under this person's leadership a financial campaign can more readily become a faith raising experience as well.

MEMBER/S-AT-LARGE (OPTIONAL)

This person/s should display consistent, contagious enthusiasm for the Campaign projects. He/she fosters and refreshes a broad-based confidence and optimism within the congregation, board and committees; and assists the Campaign Chair/s and/or Task Group Chairs with any tasks as needed. This person/s also helps inspire members of the congregation to volunteer in the Campaign process.

BUILDING/PROJECTS CHAIR/S

This chair should be a key player in the planning process for the building and projects for which the capital campaign is raising funds, and be a leader on whatever board or committee will be charged with the implementation of the various projects. He/she will be a regular member of the Campaign Executive Committee, assuring good communications with those who will arrange for the work to be done. She/he may also serve in some other role in the Campaign.

PLANNED GIVING CHAIR (OPTIONAL)

Having a good sense of what estate and deferred gifts can do for both the donor and the church is an important trait for this chair. It is especially desirable that he/she be prepared to make a planned gift if not already done. She/he will work with others who have made a planned gift or are considering doing so, plus those who have financial planning skills, to encourage planned gifts in addition to cash gifts.

CAPITAL CAMPAIGN SERVICES OF THE MASSACHUSETTS CONFERENCE UNITED CHURCH OF CHRIST

SERVICES OFFERED:

The Stewardship and Financial Development Ministry of the Massachusetts Conference United Church of Christ offers the following Capital Campaign Services to United Church of Christ congregations:

1. Feasibility studies
2. Capital Campaign Consulting

FEASIBILITY STUDY:

The feasibility study is a market survey that tells you how close your key church members and leaders are to making financial commitments that will help you reach your dollar goal. Since approximately 80% of the money received in a capital program will come from approximately 20% of your donors, it is absolutely essential that your leadership gift prospects be completely familiar with the campaign purposes and be ready to make the largest gift they can.

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On the basis of the consultant's report of the interview results, the planning committee will be able to make informed decisions about: (1) the dollar goal for the campaign, (2) the timing of the campaign, and (3) the leadership for the campaign.

FEASIBILITY STUDY FEES:

If the church engages MACUCC Capital Campaign Services to act as campaign consultant, there will be no fee for the feasibility study.

For a feasibility study only, the fee is \$1,500.00.

CAPITAL CAMPAIGN CONSULTING:

The MACUCC Capital Campaign Consultant will provide you with hands-on assistance throughout the campaign. However, it will be the church members who will do the actual “work” of the campaign. This will rebound to the church’s benefit in greater morale, commitment and engagement in the life of the church.

Services include:

1. Initial orientation to the leaders of the church on capital campaigns;
2. Providing guidance on organization of the campaign committees, including a manual with all tasks set forth;
3. Providing a time-line for the campaign;
4. Providing training for all visitors;
5. Providing guidance, samples and advice for the campaign brochure, publicity and all other letters and correspondence;
6. Providing a chart of gifts needed;
7. On-going unlimited consultation by telephone and e-mail. Site visits as needed.

CAPITAL CAMPAIGN CONSULTING FEES:

OPTION 1: Fee of 3% of the campaign goal, payable in full within 30 days of Celebration Sunday.

OPTION 2: No fee if the church includes a mission component in its campaign that dedicates at least 5% of its total goal to the Massachusetts Conference United Church of Christ.

Capital Fund Raising Consultants for Churches

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Updated 6/08