



A Church Extension Planning Guide

A Building Fund Campaign—When?

When should a congregation have a building fund campaign? The automatic response is, “When one is needed!” While that is undoubtedly the correct answer, there are other issues involved in having a successful building fund program. Timing must be considered.

Timing is important as it relates to the church year, the calendar year and, most importantly, the congregation’s readiness for a capital project. The need must be clear and must be endorsed by the congregation.

A Clear Need

Practically every congregation must periodically raise large amounts of money for building improvements, funds that cannot be raised in the operational budget. Whether it is a new congregation building its first unit or an older congregation making major improvements to an existing building, special “over and above” funding is necessary.

The fact is, increased giving is possible for specific building needs. Such increases simply do not come through annual budget contributions. Special projects attract special giving.

Support and Planning

The most critical element in timing is when it has been agreed that the project is needed and wanted. The congregation should have a clear understanding of the need and should have voted by at least a seventy-five percent majority for the project.

Adequate preparatory steps—a study, presentation of the need, response and discussion, then formal approval by the board and congregation—should be taken. A “straw-vote” or an approach to a few leaders

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on whether a project is needed is **not** the best strategy for determining whether fund raising efforts should be undertaken.

Only after thorough study and a general understanding and approval by the members will best results be achieved.

Campaign Schedule

Once the congregation says it wants to undertake a building improvement program, the question comes, “When should we schedule a campaign?” It should come as early as possible to help secure as much cash as possible before starting the project.

The funds campaign should come early in the planning stages and before *final* building plans and specifications are drawn by an architect. A *preliminary* plan will be helpful. It is important that the plan be flexible because the funds raised will determine how much can be accomplished.

The building fund campaign is the key to determining how much a

church can spend and borrow and, therefore, must come before any financial commitments are made.

The best time to raise building funds is at the period of anticipation, not after the job is completed and debt payments have begun. If commitments are secured before work begins, income will be heightened during the construction period.

Best Time of Year

When in the church year should a capital campaign be held? Generally, during the opposite season of the year from the general budget program. If the church is on a July fiscal year, it should have a thorough budget underwriting program in the spring in order to be ready for a fall capital funds effort (or vice versa). Never have a building fund effort a month or two before the operational budget promotional effort.

Occasionally, if the building funds needed are minimal, a simultaneous pledge with the operational budget might be undertaken, but generally it is not recommended for a first major appeal. It can compete with the operational income if placed side by side.

Developing a Campaign

Church Extension offers a procedure, including a workbook and staff counsel, that suggests a ninety-day study of building needs. This will enable a study committee to gain a comprehensive understanding of the

building requirements for the church's present and future program, which will allow the congregation to see what is needed and how it is to be achieved. The study provides important preparation for successful fund raising.

Economic Considerations

When is the right time for a building fund in relationship to the economic conditions? Again, there is not necessarily a good time or a bad time. There will always be some who say it is a bad time no matter when it is planned. The right time is a time of recognized need.

During recent recessionary years, Church Extension's fund raising efforts were as successful as during better economic times. When members acknowledge and endorse the need, they will give.

Those who fear that income tax time or the Christmas shopping season are not good times can be assured that such is not the case—if the project is understood and accepted. Of course, summertime is a difficult period for such a program because of vacations, but we have seen successful summer programs if the need is pressing and enthusiastic-

ally approved. Schedule the program when most people are around to participate.

Securing Loans

The time to secure building funds is before loans are sought or obtained. Lenders want to know what members have committed to give in order



to make judgements on the loan capacity. The congregation can protect itself from excessive borrowing if fund raising results are known before securing a loan.

Debt Retirement Campaigns

Finally, building fund campaigns are needed after the project is completed for debt payments if significant borrowing is required. Most building fund campaigns involve a three-year pledge—except in the case of new congregations, congregations with a highly mobile membership or a very limited project in which all funds can be raised in less than three years.

For projects where borrowing is required, debt payments will best be achieved by having a second campaign to conserve as much of the first pledges as possible. The second campaign would immediately follow the completion of the first three-year pledge and would ask for additional three-year pledges.

More funds will be obtained by maintaining a separate capital pledge than by attempting to incorporate the payments in the operational budget. Separate capital fund commitments will also protect program income.

Help Available

Church Extension provides free counsel regarding funding for capital projects and provides leadership for building fund campaigns, at a modest fee.

Planning Guide

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Additional Planning Guides addressing a variety of facility planning issues are available from:

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