

## BUDGETING AND FUNDING CAMPAIGN EXPENSES

Several points to consider when projecting campaign-related budget:

- **Campaign Dollar Goal:** Campaign budgeted expenses should be integrated into the campaign's total dollar goal so that fundraising costs can be recouped at the conclusion of a successful campaign.
- **Budgeting 10% of Campaign Dollar Goal:** Campaign expenses generally range between 5% and 15% of an institution's total campaign dollar goal.
- **Direct versus Indirect Expenses:** Budgeting projections should be applied to direct costs, representing those anticipated expenses incurred as a direct result of planning and engaging in the campaign.
- **Personnel Expenses:** In developing a campaign budget, personnel costs will likely be between 60% and 65% of all campaign budgeted expenditures.

Several ways, often combined, can be utilized to cover campaign related expenses:

- **Annual Operating Budget:** The annual operating budget provides for funding early campaign expenses until sufficient unrestricted funds are received from donors.
- **Board Campaign Fund:** Board members' early campaign cash contributions are pooled to cover initial campaign expenses, and if requested by the Board replenished for subsequently designated purposes as unrestricted cash gifts are received from other donors.
- **Endowment Borrowing:** Funds are borrowed from the endowment to be repaid, often at or below prime rate interest, as unrestricted cash gifts are received from donors.
- **Allocation from Contributions:** A percentage from all cash contributions, for example 10%, is allocated to fund campaign expenses throughout the course of the campaign. This allocation may be used to: a) replenish the Board Campaign Fund, b) repay the Endowment, and/or c) cover subsequent campaign expenses. Any excess in such allocated funds at the conclusion of the campaign can be reallocated to meet the campaign's featured funding objectives.