

Campaign Budgets: Overview & General Suggested Guidelines

A) Capital and Endowment Campaigns

While such fund-raising campaigns are not conducted employing professional consultants whose fees are based upon a percentage of the goal or actual funds raised, it generally works out, as a bench-mark, that total expenses will be in the 5% to 8% range relative to the goal. Principal expenses are:

- 1) Printing
- 2) Special events, cultivation
- 3) Donor plaques, recognition
- 4) Consulting services
- 5) Postage, telephone, secretarial, etc.
- 6) Contingency

B) Annual Fund

All expenses, including staff compensation, should represent a total amount under 10% of the funds raised---ideally at about a 9% level, which represents an "industry" standard.

C) Sponsorship and underwriting of programs, services, events, etc.

The guidelines you should follow relative to a fair and reasonable amount to spend to implement the benefits and privileges promised to a donor for support of such programs, should be no greater than 10% of their amount of support.

Perhaps the most common mistake made in such funding programs is to let the ancillary expenses rise by making overly generous commitments to the sponsor. Corporate sponsors are particularly likely to suggest expenses which are covered by the sponsor's gift, but which are not part of the sponsored endeavor's regular budget. Items which the sponsor may ask for as part of its benefit package and which can result in significant "out-of-pocket" expenses to an organization, can include, but are not restricted to:

- 1) Advertising
- 2) Parties and other entertainment for their customers, clients and employees
- 3) Large quantities of free admissions or other donated services which could have been sold or marketed by the organization
- 4) Special publications, posters, billboards and other such media-related items
- 5) Elaborate press functions
- 6) Premiums, souvenirs and other such gifts

D) Special events and benefits

After expenses have been deducted from the amount of gross income, the net proceeds should be at least at a 30% "profit level."