

## FUNDING CAMPAIGN EXPENSES

There are various ways, often combined, to cover campaign fundraising expenses until adequate cash is received from campaign pledge commitments.

- **Annual Operating Budget:** The organization's annual operating budget is able to cover 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 organization's 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.

A couple of related points:

- Campaign budgeted expenses should be integrated into the campaign's total dollar goal.
- As a budgeting guideline, campaign expenses generally are in the range of 5% to 15% of the total campaign dollar goal.
- In developing a campaign budget, personnel costs will likely be between 60% and 65% of all campaign budgeted expenditures.