AVOID ANNOUNCING "BOUNCING' CAMPAIGN DOLLAR GOALS

In my experience too many nonprofit organizations announce changes in their campaign dollar goal during the course of campaigning for facility construction and renovations based on periodic discovery of economic "oops" factors such as:

- Increase in projected construction costs over and above early architectural estimates
- Initially overlooked costs of furniture/fixtures/equipment (FF&E)
- Costs of temporary relocation/dislocation of people during construction
- Unpredictable cost of change orders during construction
- Incorporating campaign fundraising costs after a dollar goal has been established

Announcing "bouncing" campaign dollar goals can suggest to the organization's leadership and potential donors that the project is not being well managed, and may detract from their interest and support.

My advice during early stages of campaign planning is that an initial "working" campaign goal be established with the key stipulation that it is subject to further detailed planning and budget projections. Most people, especially those who have been involved in new construction or remodeling projects, will understand that caveat from first-hand experience.

A time to announce an adjustment to the initial "working" campaign goal would be when construction working drawings have been finalized and approved; contractor bids have been received; independent value engineering has been conducted; total project costs have been considered such as proximity landscaping, bringing-in utility lines, and projected interest costs for "bridge" financing.

A final time to announce an adjusted campaign dollar goal would be nearing completion of construction/renovation when change orders and any lingering economic "oops" factors have been identified. A messaging strategy should be formulated in advance to communicate the final campaign dollar goal to the organization's constituencies.

In summary, my advice is to only announce an organization's campaign dollar goal at three points:

- When initial cost estimates for a "target" campaign goal have been defined by early architectural estimates

- When planning has resulted in some “hard numbers” from contractor bids and independent value engineering

- When nearing completion of construction

It is also important not to overlook in projecting costs for new construction/renovation any anticipated increase in operating costs related to the new facilities. That’s an “oops” factor that can burden an organization’s ongoing operating budget for years to come.