

2026



Nonprofit Capital Campaigns in the Yampa Valley

Lessons, Advice, and Common Pitfalls to Avoid



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Introduction

Capital campaigns can provide the fuel for nonprofits to grow their services, reach a larger audience, or increase their organizational sustainability. Capital campaigns are a big lift, and the most successful campaigns result from organizational preparedness. We spoke to eight nonprofits in the Yampa Valley who completed capital campaigns in Routt County between 2015 and 2025 to share best practices, common challenges, and lessons learned.¹ Those we spoke to universally stated that undertaking a capital campaign helped grow their visibility in the community and expand their services.

Our research indicates that there is no silver bullet to raise money for a capital campaign. To achieve success, an organization needs to have a clear need that will provide significant community benefit, a well formulated plan, and passionate staff and board members. Raising large sums of money requires a significant amount of time and relationship building on the part of the executive director and/or the development team. Going in prepared can help ensure an organization will reach its goal.

Capital Campaign Basics

A capital campaign is essentially a long-form fundraiser with a specific timeline and an objective that will, hopefully, move an organization to a higher capacity. It is not used for funding general operating or business-as-usual expenses.

Nonprofits take on capital campaigns to increase their reach, gain stability, or ‘level up’ their operation to meet a need in the community. Capital campaigns have a specific goal that will allow the organization to better achieve their mission. This typically will include an increase in capacity or an acquisition of an asset to help stabilize expenses. Some common examples of targets for capital campaigns include:

- New buildings or building renovations (finding or expanding your permanent home)
- New or upgraded equipment (such as improved storage, commercial grade kitchen, vehicles, refrigeration system, etc.)

Methodology

This report was developed through a combination of desk research focused on existing literature and best practices for capital campaigns, and eight in-person interviews with leaders of nonprofit organizations who had undertaken a capital campaign in the Yampa

¹ Note: This study did not focus on endowment building campaigns or programmatic campaigns, which often utilize different strategies. If you are interested in learning more about other kinds of campaigns, please reach out to YVCF to set up a meeting.

Valley between the years of 2015 and 2025. The organizations ranged in size from all-volunteer organizations to large nonprofits with 100+ employees. Below is a summary of the size, scope, and outcomes of capital campaigns included in this research.

CAMPAIGN FUNDRAISING GOAL	# OF ORGANIZATIONS
➤ LESS THAN \$1 MILLION	1
➤ \$1 - \$5 MILLION	4
➤ MORE THAN \$5 MILLION	3

CAMPAIGN PROJECT FOCUS	# OF ORGANIZATIONS
➤ ACQUISITION OF NEW BUILDING	1
➤ RENOVATION OF EXISTING BUILDING	2
➤ CONSTRUCTION OF NEW BUILDING	5

LENGTH OF CAMPAIGN	# OF ORGANIZATIONS
➤ LESS THAN 1 YEAR	2
➤ 1 TO 3 YEARS	3
➤ MORE THAN 3 YEARS	3

SUCCESS OF CAMPAIGN	YES	NO
➤ PROJECT COMPLETED AT OR UNDER BUDGET	2	6
➤ COMPLETED CAMPAIGN IN PLANNED TIMEFRAME	5	3
➤ MET FUNDRAISING TARGET DURING CAMPAIGN	4	4

Things to Consider Before Undertaking a Capital Campaign

Based on existing literature on capital campaigns and conversations with local organizations, we identified a few critical questions to address when considering a capital campaign.

1. Is there a clear need that can easily be articulated to potential donors?

Donors must be convinced of the need your organization is seeking to address with the campaign and understand that the campaign target is a need and not a want. Are you unable to reach people in need of your services? Are you spending too much money renting space to do your work? Has demand increased dramatically? Make sure that what you are looking to do serves a critical organizational need that will benefit the community.

Our primary challenge was we were overcrowding and needed more space. Stakeholder input, including focus groups, consistently indicated that our community was growing and that financial needs were increasing. Expanding our space through this campaign was essential to sustaining and enhancing our ability to serve the community. – Old Town Hot Springs

2. What is your current fundraising capacity and approach to donor stewardship?

Ideally, an organization will have a strong fundraising and donor cultivation program in place before starting a campaign. In any case, you should know what your existing capacity is and have a plan for how you will grow it. It is very important that you are already practicing stewardship with donors. It is not appropriate to make a large ask of someone who has been giving without any acknowledgement for years.

When thinking about your existing capacity, consider whether you have a group of donors who will anchor the campaign. It is unrealistic to believe that major fundraising will be successful if the relationships have not been developed. If you don't yet have these relationships, you may not be ready to undertake a large-scale fundraising campaign.

Of the eight organizations we spoke to, five had little-to-no fundraising infrastructure in place prior to the capital campaign. For those organizations, it was important to start by putting together a fundraising plan, creating a system for tracking donors, and recruiting board or staff expertise around fundraising. Some of those were brand new organizations, who started their nonprofits with a capital campaign, like the Veteran's Center. Those organizations relied on a strong board with connections to the community and a background in fundraising. Organizations who don't have a strong fundraising capacity may also consider hiring a consultant or coach to help prepare the executive director or development staff on fundraising strategies and donor stewardship as part of the campaign.

3. Do you have strong leadership among your staff and board who are supportive of the organization undertaking a campaign?

Ensuring your staff and board are supportive of the capital campaign is essential for its success. The organization should be unified in how this campaign will improve the organization's ability to deliver its mission and better support the community. In addition, undertaking a capital campaign is a large lift on the part of the organization's leadership, so ensuring that the capacity (and passion) exists among staff and/or board members is vital.

4. Does your organization have a positive and trusted position in the community?

Consider how you are currently seen in the community. Do people trust your organization? Are you seen as a leader in the sector you operate in? Another thing to consider is whether there are any misconceptions about the organization that will need to be addressed during the campaign. This could include incorrect assumptions about funding sources or previous missteps or misunderstandings in the community that could dampen enthusiasm for your capital campaign. In addition, it is helpful to consider how well you are communicating what you do with your constituents ahead of the campaign, to know whether community education on your programming is needed as part of the fundraising strategy or even prior to embarking on a capital campaign.

5. Have you considered increased operational costs that could result from a capital campaign?

If you are moving into a new space, expanding your facilities, or upgrading your equipment, there is a high likelihood that your annual operating costs will increase as well. This could include the need to hire additional staff, maintain facilities, or upgrade your databases to support expanded programming. When planning a capital campaign, there is often a focus on the initial project and a tendency to overlook the shift in operational costs that may accompany completion of the project. While many campaigns can lower overhead, those that grow an organization into a larger space or new program areas may raise operational costs such as staff expansion, building maintenance, or other expenses are added to the annual budget. Including future building operational and maintenance costs into the fundraising goal for a capital campaign is generally viewed in a positive light by donors as it demonstrates good business and long-term planning practices.

Prior to beginning a capital campaign, it is helpful to review your organization's readiness, either using a feasibility study that looks internally at your organizational health, or self-assessing using a tool like the one found at the end of [this](#) report by the Association of Fundraising Professionals or in [this](#) article by Blue Avocado.

Potential Benefits of a Capital Campaign

During our research, nonprofits mentioned a number of both expected and unexpected benefits from undertaking capital campaigns. Most organizations enter into a capital campaign with a specific goal in mind such as financial sustainability, serving a larger audience, or finding a permanent home. These primary objectives are the catalyst for the campaign, and the main motivator for the nonprofit. However, tangential benefits often accompany the completion of a campaign that may contribute to the organization's long-term sustainability.

Community Awareness

One of the key benefits of undertaking a capital campaign is the increased visibility of the nonprofit in the community. All of the nonprofits that participated in the study reported increased awareness of their work in the community following their campaign. When combined with solid donor cultivation and stewardship, this can be very beneficial for ongoing support and growth for the organization.

The building catapulted us to the next level. We knew that awareness of the Community Foundation would increase, but not to the extent that it did, and simultaneously the community meeting space we created provided a direct benefit to local nonprofits. That helped coalesce the nonprofit community behind our effort and created a strong partnership between nonprofits and the foundation.

– Yampa Valley Community Foundation

Our visibility definitely increased. We doubled our sales since moving into the new space without any increase in our marketing budget. – Community Agriculture Alliance

The capital campaign allowed us to get to know a lot more about the people in Steamboat and at the City. You get to identify people with aligned interests.

– Steamboat Tennis & Pickleball

Donor Cultivation & Stewardship

Capital campaigns also give nonprofits an opportunity to grow their fundraising capabilities and improve their donor stewardship practices. Of the organizations consulted for this report, several reported that undertaking a large fundraising goal forced them to learn how to better connect with donors, track fundraising data, and improve internal processes.

Having a consolidated effort did help with donor connections: a timeline, set benchmarks, and a clear ask helped focus our engagement and stewardship strategies. It also expanded our gift acceptance policy as we are now able to accept stock gifts. – Community Agriculture Alliance

It increased our credibility and taught us how to tell a story about what we do. We learned to use systems and notes better through the process. I'm not sure if it was the capital campaign or the evolution of staff and roles, but the process forced our team to implement tracking systems for donations and pledges, which have paid dividends since then. – Yampa Valley Community Foundation

Staff Capacity and Cohesion

Going through a capital campaign requires staff to take on new challenges. Executive directors and development directors see improvements in their ability to build relationships and in making a clear and compelling ask. Other team members step up to support the organization while the executive director's time is pulled toward the capital campaign. Organizational finance and accounting skills often improve as they navigate tracking separate accounts and budgets for the capital campaign. All of this can lead to a stronger team who have a better understanding of the overall organizational structure and can better support each other on the other side of the capital campaign.

The campaign helped identify team members who could effectively navigate complex challenges and adapt to change. Through this process, we strengthened our executive team and elevated overall organizational capacity. By setting high expectations, we ultimately fostered a more collaborative, resilient, and high-performing team– Old Town Hot Springs

Potential Risks & Strategies to Address Them

Staff Turnover

Among the eight nonprofits we spoke to, three saw their executive directors leave during or shortly after the capital campaign was completed. Oftentimes, the completion of a capital campaign is a good time for executive directors to step aside, having accomplished a large goal and placed the organization on better footing. However, in some cases, capital campaigns can lead to strain on staff that pushes them to step down from their role out of fatigue. One former executive director said the stress of the capital campaign is what led them to step down from their role, and another nonprofit leader believed it was likely what caused their predecessor to leave the position. All of the nonprofits we spoke to talked

about capital campaigns being a full-time job for at least one staff member, if not two. Those same challenges around project management, fundraising, and accounting that can lead to increased capacity and cohesion, can also lead to burnout without the right team and support.

Despite the turnover experienced by some nonprofits, a well-executed campaign can often increase staff commitment to the organization. Nonprofits who avoided staff turnover mentioned hiring certain roles to support the campaign. One organization mentioned hiring an owner's representative to oversee the construction side of the project as a great way to reduce the burden on the executive director. Another strategy was to hire someone who could temporarily backfill some of the work of the executive director so they can fully focus on the capital campaign.

Loss of Annual Gifts to Operating During the Campaign

Nonprofits often raise a concern about cannibalizing operating support in the effort to fundraise for a capital campaign. Some nonprofits in this study did see a drop in annual giving during the capital campaign. However, most of these nonprofits said that they did not mention annual giving at all when raising money for the capital campaign, which may help explain some of decline.

There was not a focus on long-term cultivation and stewardship. We completed our capital campaign without focusing on an increase in our donor base or annual gifts to operating. – Anonymous

While a drop in gifts to operating is a potential concern, it doesn't always occur, and there are strategies to avoid it. Of the nonprofits we spoke to, about half were able to maintain their annual gifts to operating throughout the campaign.

Strategies for Maintaining Annual Giving

We explained that we were very grateful for their gifts to operating and that we hoped they would still give there, but that we would like them to donate to the capital campaign in addition. Most were receptive to that: some people asked which we would prefer and we would have to consider based on the amount of the gift and where it could make the most difference. It was rare that people asked which to give to. Most people have a preference for where they like to give. But a lot of people gave to both. – Yampa Valley Community Foundation

Regular giving was barely impacted. We kept the message that we wanted them to keep doing their annual giving, that this is really a one-time thing to strengthen our capacity. – United Way of the Yampa Valley/Integrated Community

Not Hitting the Fundraising Goal

In some cases, organizations are unable to meet their fundraising goal for the capital campaign within the designated time frame. Half of the organizations we spoke to had to continue raising funds after the project's construction was completed. In some cases, this was due to rising costs, whereas in others it was due to staff turnover that reduced fundraising capacity. Three of these four organizations took out loans to complete the project and then continued fundraising after the grand opening to pay off the loan. All of these organizations cautioned against this strategy as it is much harder to fundraise for a project once it has been completed.

Organizations cited inaccurate budgeting as one reason for not meeting the fundraising goal. Creating a realistic budget that accounts for the total campaign and anticipates potential price increases is a good way to prevent overspending. However, creating a realistic budget has proven difficult for local nonprofits, who cite increases in labor and material costs, delays from permitting, and lack of specificity for final design as hurdles to creating a reliable financial plan for their capital project. One strategy is to form a committee, made up of board members and community experts, who can provide expertise on acquisition and construction costs, zoning and permitting fees, design fees, furnishing costs, and the budget for the campaign itself (staff time, marketing materials, consultants, etc.). Oftentimes, it may also make sense to hire a project manager who can assist in setting the timeline and overall budget for the project, and who will oversee the planning and day-to-day aspects of construction and design. Below are a few resources with tips on creating a realistic budget:

- Gates Family Foundation, [Nonprofit Capital Projects Guide](#)
- Campaign Counsel.org, [What Does a Capital Campaign Cost?](#)
- Nonprofit Finance Fund, [Pitfalls and Dangers to Avoid During Facilities Projects](#)

The other challenge here is timing. Many nonprofits find themselves moving into a space before the capital campaign is completed for reasons beyond their control. Due to the highly competitive nature of the real estate market in our community, nonprofits often have to seize their opportunity to move on short notice. This can result in an organization moving into the new space while actively fundraising. Below are some resources for when a nonprofit falls short of their fundraising goal that could be helpful in this situation:

- Donor Snap, [What to Do if You Don't Hit Your Fundraising Goal](#)
- Capital Campaign Pro, [6 Steps to Take if Your Capital Campaign is Falling Short of its Goal](#)

Industry Best Practice Versus Yampa Valley Realities

Capital campaigns typically follow a well-established industry timeline, with each phase guided by recognized best practices that support successful planning, preparation, and execution. This section outlines those standard phases and compares our broader research on capital campaign norms with insights gathered through local interviews. For each successive phase, we examine where national best practices align with, or diverge from, local perspectives and conditions, providing a grounded framework for evaluating readiness, risks, and opportunities specific to the Yampa Valley.

Pre-Campaign Planning

Industry Best Practice: Most existing research on capital campaigns states that it is best practice to spend anywhere from three months to one and half years (or longer) preparing for a capital campaign before beginning outreach. The pre-planning phase is where organizations determine the need and set goals for the capital campaign. It is a time to look inwards and understand whether the organization is prepared and where to build and strengthen the team. This is also a time to understand the relative cost of the project, how it will shift the organization's long-term operating expenses, and ensure the need aligns with the strategic plan. This is where the organization should consider whether the capital campaign is the best way to address the identified need, and what alternative approaches might look like.

Reality: In practice, nonprofits often do not have a one-year time window available to plan out their capital campaign, particularly in our community where an active real estate market and a lack of available land are often limiting factors for nonprofits trying to establish a permanent space.

Of the eight nonprofits we spoke with, only three had pre-planning periods that were longer than a year, and two of those were for campaigns that exceeded \$5 million on properties that were already owned by the nonprofit (Old Town Hot Springs and STARS). The other was for a collaborative capital campaign between United Way of the Yampa Valley and Integrated Community to expand their shared office spaces. The organizations that had the time for a full pre-planning stage found it helpful in building their team and clarifying costs, timelines, responsibilities, expectations, and messaging.

Among those who didn't have a full pre-planning phase, there were mixed feelings on whether it would have improved or changed the process of the campaign. Although few specifically stated that a pre-planning phase was missing, many of the challenges faced in their campaigns were things that could have been addressed with pre-planning. This

included unanticipated increases in operational costs, lack of staff or board cohesion, and unrealistic expectations for how long the project would take to complete.

Feasibility Studies

Industry Best Practice: The feasibility study determines the likelihood of whether the plan the organization has put together for the capital campaign will be successful. This includes reaching out to potential top donors to understand their willingness to support a capital campaign and expose potential objections, testing messaging, and exploring potential challenges that might arise. Feasibility studies might also look at the health of the organization and can be used to identify the organization's readiness to undertake a capital campaign. These studies might suggest changes to organizational staff, culture, or leadership that could improve the campaign's success.

Much of the existing research recommends hiring a consultant to help conduct the feasibility study as potential donors are typically more likely to be candid with someone distanced from the nonprofit. However, some capital campaign consultants recommend the organization's leaders doing these interviews to build the relationships and save on cost.

Reality: Most nonprofits interviewed did not conduct formal feasibility studies. These organizations cited board hesitation, time, and money as the primary factors that led them to skip this step. Feasibility study consultants can range from \$50,000 to \$250,000 or more, an additional expense that would need to be included in the total campaign goal. However, according to those who used them, for larger fundraising projects they are well worth the expense.

Some organizations opted to conduct feasibility studies around other objectives for their capital campaign, rather than their funding needs. For example, the Community Agriculture Alliance conducted a producer feasibility study to see if there would be sufficient product for them to sell in their new space. On the other hand, Yampa Valley Community Foundation spoke with nonprofits before embarking on their capital campaign to test nonprofit community support for YVCF raising funds for a permanent home.

The two organizations that conducted a fundraising feasibility study both found it to be worth the investment as it helped them anticipate challenges and better understand the capacity of their donors and plan how long they would need to successfully raise the entirety of their goal.

Old Town Hot Springs hired an out-of-state consultant to conduct a feasibility study, including an internal analysis of the organization to understand staff capacities,

efficiencies and redundancies, and to help set up the organization internally for success. The study unearthed lead donors, created a roadmap for the campaign, and laid out how the organization's staff would have to grow throughout the campaign. "It was a significant investment, approximately \$50,000 in 2012, however it was invaluable. Comprehensive, well-rounded feedback prior to launching the campaign is critical and should not be overlooked." – Old Town Hot Springs

STARS Ranch also invested in a consultant for the planning phase, who helped to design and monitor the campaign. During the feasibility study, they found that donors would be more interested in supporting the project if they included a horse component with an arena and stables. This shifted the scope of the project and expanded the overall goal. However, their feasibility study failed to anticipate the increased materials costs for steel, which ultimately changed the outcome of the project and eliminated the possibility to build the infrastructure for the horse program.

The most common alternative method to a feasibility study for planning a capital campaign was reaching out to other organizations who were conducting, or who had completed, capital campaigns to learn from them.

We didn't hire a consultant, but we had discussions with other organizations conducting capital campaigns and tried to learn from them. It is important to have a clear plan: you need to be able to demonstrate a clear 'why.' The need should be so great or apparent that donors will want to support it. – United Way of the Yampa Valley

There were a couple of organizations we spoke with who said that not undertaking a feasibility study left them without a clear view of the full costs of the project, including the increased operational costs that accompanied the completion of a new building or renovation.

We only had construction costs in mind and said the whole way through we didn't know what the full campaign costs would be. We should've been clearer on staff, utilities, and operational costs that came with the new space. – Anonymous

Planning Phase

The planning phase is when you hone your messaging, create marketing materials, and put together a fundraising plan. Oftentimes organizations will create a donor pyramid (or gift range chart) at this point to understand how many donors they need to identify at each

level to achieve their goal. Best practice would say that you set aside at least two months to plan out the details of your campaign.

Reality: Locally, most nonprofits aligned with industry recommendations with regard to the planning phase. While not everyone set aside several months to plan the details of the campaign, they did take the time to put together talking points for staff and board members to ensure consistency around the campaign messaging. In addition, the vast majority of the nonprofits we spoke to went into the campaign knowing how much they needed to raise, the different contribution levels they were hoping to get, and with a timeline for fundraising.

The planning phase is also a good time to hone marketing materials and talking points for the campaign and conduct donor segmentation. It is important to deliver a consistent message about the need for the campaign and the impact it will have on both the organization and the community it serves. Those interviewed recommended considering any potential objections community members may have and creating plans to address them before launching the campaign.

Local nonprofits mentioned a wide range of marketing strategies that worked for them including articles in the newspaper, informational signage in front of construction sites (for renovations or construction projects), brochures, and clear campaign information on their websites.

Quiet Phase

Industry Best Practice: The Quiet Phase of your campaign is where you begin raising money without a full public appeal. This is when organizations reach out to donors with significant giving capacity to solicit large gifts and apply for grants. This is targeted outreach, not mass solicitation or general appeals. Recommendations vary throughout the industry, but most experts recommend raising between 50 - 75% of your total goal in the quiet phase.

Reality: Being in a small community means nonprofits are often unable to have a true quiet phase. However, most of the nonprofits we spoke to still aimed to solicit large gifts and raise a significant percentage of the funds needed before turning to the general public.

In a community like ours, maintaining a truly 'quiet' phase can be challenging. We prioritized securing a substantial portion of funding, particularly major gifts before broadening outreach. Our goal was to secure more than 50% of the total, and we ultimately had around 60% prior to launching the public phase. – Old Town Hot Springs

We raised \$2 million in the quiet phase, about 60% of the total. We applied for grants, sought county funding, and had a few larger donors – one was a matching grant which made outreach to donors easier. – Veterans Center

Our goal during the quiet phase was half. If you can get half that is really good. Some people like to be the ones in the know, the first dollars in. – United Way of the Yampa Valley

Everyone we spoke to emphasized the importance of thinking about fundraising as relationship building. This holds true in the quiet phase as well as the public phase of the campaign.

Fundraising is relationships: you want your executive director to be the one making the ask because they should be the one building the relationship. – United Way of the Yampa Valley

Several nonprofits mentioned the importance of getting early support from local leaders in building credibility, whether that be government representatives, city or county funding, or local foundation funding.

We had early support from the State of Colorado through a grant for \$125,000. My advice would be to get a financial commitment from government and business interests first before going public. – Piknik Theatre

The county was our first big donor, and they were willing to subsidize the salary and office space for a Veteran Service Officer (VSO) within the building. – The Veterans Center

Public Phase

Industry Best Practice: The public phase is the period where you reach out to the organization's full community to support the capital campaign. Some industry experts argue that the public phase should always be a short period of time to ensure you are able to maintain momentum, energy, and excitement around the goal. However, others say it depends on the size and structure of the organization and campaign. For large organizations with a full fundraising team and high dollar target, it may make sense to have a longer public phase to the campaign.

Reality: Each organization will approach the public phase differently. Some may host events whereas others will do better by relying on newsletters, advertisements, earned media (press or publicity), phone calls, and coffee meetings. Most leaders we spoke with

recommended leaning into your organizational strengths and utilizing clear, straightforward messaging. The larger capital campaigns, those exceeding \$5 million, had extended public phases of their campaign and were more likely to rely on fundraising events than campaigns of \$500k - \$3 million in size. Mass communication is one tool, but will likely account for a very small portion of fundraising. The bulk will come from events or one-on-one outreach.

We used the press to tell the story of who we were. We had a clear why: Vietnam-era vet suicide rates were climbing, older men were being forgotten by the community. Having that clear story helped us. – The Veterans Center

We held numerous educational meetings with prospective donors, focusing on sharing plans and building understanding without tying an ask to it. We also leveraged a range of engagement strategies including site tours, tax credit opportunities, small and large events, including our annual fundraising event, which continued following the campaign. Educating our supporters and the community on why this project is important was paramount for success. – Old Town Hot Springs

We made sure we had good marketing, with signs in front of the building of what we were doing. We had one donor walk in off the street to make a donation because of these signs. We had one-on-one meetings and showed people the space, which made a compelling case for why this was needed. We held open houses when we were fundraising. – United Way of the Yampa Valley

Post-Campaign and Stewardship

Industry Best Practice: Once you reach your goal, it is important to tie up all loose ends from your capital campaign. Energy can now shift from actively fundraising to long-term stewardship. At this point it is important to thank volunteers and donors, pull together reports, and follow up with any outstanding pledges.

Reality: Nonprofits we spoke with for the most part said they were able to convert capital campaign donors into annual supporters. They emphasized the importance of having a way to recognize donors to the campaign, such as a donor wall or plaque, and continuing to build the relationship with these donors by sharing what you are doing, inviting them into the space, and making time to meet with them. Most nonprofits did not report a large increase in gifts to operating following the campaign, but they didn't see drop off either.

As mentioned earlier, several nonprofits found themselves having to fundraise after the construction was completed. For these nonprofits, they found it challenging to appeal to

donors after holding a grand opening and beginning to operate out of the new space. However, they still recommended relying on relationship building and sharing how the organization is reaching new audiences or better delivering their mission following the campaign.

Key Recommendations

Board Involvement in Capital Campaigns

Having a board that is supportive and believes in a capital campaign will have a positive impact on the campaign's outcome. Board members need to be great advocates, connectors, and advisors throughout the planning and fundraising process. They can also lend important insight, assistance, and oversight regarding budgets, building plans, construction management, and other project processes. Take advantage of board expertise and engage them on committees to help execute the campaign.

Our Board had people with construction and development experience and they were very involved. It was important to have leaders who were passionate about the project, understood the finances, and could support in contract negotiations. We also had a Capital Campaign Committee. The committee chair was someone who has a lot of connections with people in the community. Having those connections was really beneficial. – Steamboat Tennis & Pickleball

While many board members may want to help promote the campaign, if they don't have all of the information or talking points, they could create confusion in the community and undermine donor trust.

As far as the actual capital campaign, we learned you have to set the expectation for your board that they don't go out ahead of you. We had a couple of board members talking about the capital campaign once it was approved but prior to the completion of campaign materials or key talking points. This led to some unintended misinformation we had to correct later. – Yampa Valley Community Foundation

Our board provided strong support throughout the campaign. We equipped them with clear, consistent messaging. To this day we provide them anecdotal talking points and impact stories to reinforce the campaign's success and ongoing outcomes. – Old Town Hot Springs

There is a possibility that some board members will not be in support of the organization undertaking a capital campaign. Once the board approves the capital campaign, it is the responsibility of all board members to publicly support it for the success of the organization. If board members are still opposed, it may be best to ask them to align with the organization's planned future or step down to avoid potential conflicts that could hinder the campaign and the organization's well-being.

Halfway through the campaign, we had a board member trying to stop us. They were calling into question our need for a conference room. That took time and energy away from what we needed to be doing. In the end, we had to move forward without that board member. Sorry that you disagree, but this was needed for the organization. – Anonymous

We had one board member who did not really support the campaign. He was not on board with us doing it and went rogue, talking to nonprofits and the community. He was just against the concept of raising this money for a building. – Anonymous

Don't expect your board to do all the outreach for you. Some board members will choose to be more involved than others. It is often helpful to create a capital campaign committee within your board to focus on fundraising, construction, and compliance related to the campaign. Remember that there a number of different ways for board members to be involved, and different roles may better suit specific board members.

Our board and capital campaign committee had a great composition of people. The board had people with construction and development experience and they were very involved. Passionate about the project, understood the finance, and could assist with the contract negotiations. – Steamboat Tennis & Pickleball

Hiring Consultants and Fundraisers

The organizations we spoke to had mixed thoughts around hiring outside consultants to assist in the planning of their campaigns and around hiring development directors for the campaigns themselves. Three organizations opted to invest in consultants during the planning phase and found these investments paid off in identifying lead donors, understanding their timeline, and anticipating unexpected costs. However, one of those organizations is unsure they would spend their money on a consultant again in the future, mentioning they could likely get much of the insight through talking to other nonprofits in the region who had undertaken capital campaigns.

One organization hired a contract fundraiser for the period of the capital campaign. The fundraiser left halfway through their capital campaign, and the executive director didn't have the relationships that they needed to continue fundraising:

It was challenging having somebody who was a temporary staffer in the fundraising position. They created relationships with new donors and then left. It felt disjointed from the rest of Donor Stewardship; they built the relationships personally rather than building relationships with the organization. – Anonymous

Unique Realities of the Yampa Valley

Small Town Mythologies

One of the biggest challenges mentioned by nonprofits was re-writing incorrect narratives about the way an organization is structured and/or funded. This can be a challenge in the fundraising stage, but also in attracting donors following a capital campaign. A few examples are highlighted below:

One of our ongoing challenges is the common misconception that we are municipally owned and funded through tax revenue. In reality, we operate as an independent nonprofit. This is not just challenging when securing new donors, however the misunderstanding particularly among new and even lifelong community members, underscores the importance of consistently educating the public about our funding model. – Old Town Hot Springs

There is a perception that we are well-funded because we have a new building. People still don't realize we are a nonprofit. – Steamboat Tennis & Pickleball

Some people thought we were growing too fast. That the shop was too fancy or we were too big for our britches. – Community Agriculture Alliance

These nonprofits recommended thinking about the perceptions about the organization and being sure to try and rectify these impressions throughout the fundraising. Always ensure that the community benefits are emphasized, not just the benefits to the organization.

Limited Donor Pool

There is a concern among nonprofits embarking on a capital campaign in the valley that the donor pool is limited due to the size of the community. However, many nonprofits we spoke to were able to attract funding from outside of the community, in addition to local philanthropists, to support their projects. Shifting from a scarcity to an abundance mindset can help organizations overcome this perspective. Using an abundance mindset shifts the focus from fear and competition to possibility and partnership, allowing organizations to set ambitious goals and invest in relationships and capacity. This approach leads to more authentic donor engagement, clearer storytelling, and longer-term sustainability because donors are invited to participate in the organization's impact rather than feeling pressured to fill a gap.

It is funny toward the end of the campaign, as we got close to our goal, I realized this was something people were so excited about when I spoke with them that I was nervous we would reach our goal before I had a chance to talk to everyone. I didn't

want people to feel left out. My mindset shifted to where I saw this as an opportunity that people wanted to participate in and be a part of. – Yampa Valley Community Foundation

The Veteran’s Center was able to reach out to the entire network of veterans across the globe who understand the need for support, receiving donations from places as far as New York, England, and Tokyo. They made calls and spoke to people about the overall challenges facing vets across the US and were able to pull support from people who understood the need even if they were outside of the community.

“I as a donor have charities that I give to, but whose services I don’t necessarily utilize. You have to sell the mission and believe in it, and donors will support it.” – Bruce Hannon, The Veterans Center

Another challenge mentioned by many of the nonprofits was that a lot of donors aren’t here year-round and arranging meetings with them can be difficult. However, other nonprofits saw this group of donors as an opportunity, treating it as a unique donor pool to connect with seasonally throughout the year.

We have a transitional community, and so timing matters. In the spring you can touch base with top donors and in the summer the donors are completely different. – United Way of the Yampa Valley

Construction Costs are High and Fluctuate

Of the eight nonprofits we spoke to, six saw construction costs exceed the original budget with two seeing the total costs doubling from original estimates. This was due to factors ranging from inflation and increased labor costs following the pandemic to tariffs and their resulting spikes in material prices.

The building costs went up. The cost of steel skyrocketed, which was a big part of why we had to move away from the arena. There were also oversights that had to be corrected once we moved in, which added to the costs. – STARS

We had a contractor come in and give us an estimate after we had the designs created. The total cost wound up being about 36% higher than the estimate. – The Veterans Center

We had to revisit the goal when the costs went up. We had to raise the goal from \$2.5 million to \$3 million because building costs went up. It was because of inflation, the cost of materials, construction costs at the time were rising, and

donors were receptive and understanding about the change in budget.
– Yampa Valley Community Foundation

Knowing that shifting costs for materials or construction are impossible to predict, most organizations recommend building a buffer into your budget to cover expenses above and beyond the original estimates.

It is prudent to anticipate cost escalation and build contingencies into the budget, including factors such as market volatility, inflation, and unforeseen external disruptions. – Old Town Hot Springs

There are ways to develop more accurate estimates of campaign costs. For construction projects, assemble a team that includes the designer/architect, builder, and owner's representative from the beginning so that all three are part of the budgeting process. It is also important to base your forecasts on reliable data: look at the costs of other local projects, inflation rates, and industry benchmarks to guide your cost estimates.

Historical Building Requirements and Permitting

One challenge that was often mentioned by nonprofits was navigating the city and county permitting processes. While this challenge is likely not unique to our community, it is something that is important to consider when planning your campaign. Those who experienced regulatory setbacks recommended keeping the city updated on your plans, speaking to representatives from the city and county early on to understand what regulations need to be followed, and preemptively asking if there are any historical building requirements or other regulations limiting what can be done with the space.

Because we were in the county, we had to install above ground wastewater treatment. It was difficult to get approvals, which caused delays in the project. However, because we identified this requirement in the feasibility study and permitting process, we were able to anticipate potential delays. – STARS

It took a couple of years to go through city council and get approval. There were a lot of unexpected roadblocks. We learned it was super important to keep the city in the loop. We invited them to the building committee meetings and kept them on the emails. They may not actively participate, but the more they are informed, the easier it is to move through the process. – Steamboat Tennis & Pickleball

Tips from Nonprofits

We asked each nonprofit we spoke with what their main takeaways were from the capital campaign, what they would change if they were to do a capital campaign again today, and what advice they would give to a nonprofit looking to undertake a capital campaign. Below is a summary of the main lessons and tips they offered.

Planning

Drafting a Plan

- Know that the capital campaign will be the executive director's (or in some cases development director's) primary focus. Other programmatic work will take a back seat. Expect that going in and see where you can put certain work on autopilot or offload tasks to other staff members.
- Try to plan so that you can finish fundraising prior to moving into your space, completing construction, or setting up your new program. It is difficult to articulate a need once the work has been completed, even though there may be loans that need to be paid.
- If you can't afford the necessary strategic planning and feasibility work up front, then your organization might not be ready for a capital campaign.

Setting Dollar Goal:

- Be realistic about project costs as you put together your budget. Be sure to include all the little expenses along the way, and build room for the unexpected (inflation, tariffs, increased labor or material costs, etc.).
- Consider the ways your operating costs may increase as a result of your capital campaign. If you plan to move into a bigger facility, you will likely have increased staff costs and larger overhead as a result. Plan that expansion into your capital campaign.

Donor Base and Donor Stewardship:

- Build your donor base and make sure you are properly stewarding donors prior to the capital campaign. A large capital campaign cannot be funded by people who don't already feel connected to the organization and the mission. Furthermore, if your donors have been supporting you without being properly stewarded, it is inappropriate to approach them with a large ask.

- Put together a donor pyramid so you know about how many donors you need to identify at each level. Then consider who your existing donors are that may be willing to support at different levels. [Read more about donor pyramids here.](#)
- Identify lead donors and approach them first to anchor the campaign.
- Consider how you will thank your donors early on (a donor wall, a plaque, etc.) and whether you will have different levels of recognition.

Staff & Board Member Involvement

Planning Phase

- Your board will have to approve your campaign, but make sure they are all in support of the campaign and understand the need: get alignment, buy-in, and a commitment to support from all board members. In addition, provide talking points and let them know when (and if) they should be sharing information.
- Having a high quality, trustworthy board is really helpful in bolstering your image with the community. The skill-set each board is looking for will vary, but it is important that you have trusted board members who are committed to the campaign and passionate about the organization's mission. A well-connected board is particularly important for newer nonprofits to help them grow relationships and awareness in the community.
- Decide whether you need to form a capital campaign committee. If you do, consider the expertise that you need on the committee. While donor connections can be helpful, you may also need accounting support, project management expertise, marketing skills, or legal assistance.
- Engage board members to make introductions, set up meetings, and even join meetings, but not to make the ask. It is best practice for an organization's executive director or development director to ask for contributions to the organization. The board role is to make the connection and share their enthusiasm for the organization to build trust and credibility among potential donors.

During the Campaign

- A lot of staff time will be spent on a capital campaign. The executive director and/or development director will likely be putting 80-90% of their time into the campaign. As a result, it can also lead to some typical tasks being added to other staff members' duties during the campaign. It is important to make sure staff feel prepared to take on this challenge.
- In some cases it may make sense to hire support staff during the capital campaign. This could be staffing up the development team, hiring a project manager, or hiring a

temporary position to backfill the work of the executive director while they focus on the campaign.

- The nonprofits we spoke to cautioned against hiring a contract fundraiser, as the relationships they build will likely leave with them. It is better to either hire a full-time development staff person, or a consultant who can advise staff on fundraising and help the organization build relationships.

Fundraising Strategies that Work

- Keep your messaging simple. Be able to articulate the need you have as clearly and consistently as possible.
 - Some donors will want to understand every detail, but the majority are likely to mostly care about the big picture and the difference the effort will make to the organization.
 - Make sure the basics are clear: who, what, where, how, how much, when, and why!
- There are no short cuts. One-on-one meetings, although time intensive, were consistently mentioned as the most effective way to raise funds.
- Successful fundraising requires knowing your donors: their capacity to make a campaign gift and their passion for supporting the mission of the organization. It also requires patience and an appreciation that it may take multiple meetings before a donor is prepared to make a commitment. By the time you make a formal request, your donor should be expecting it.
 - A number of people recommended identifying someone (a friend, coach, colleague, or consultant) with whom to practice talking points and build confidence ahead of the meeting.
- EZ Tax Credits: All of the nonprofits who utilized EZ Tax Credits stated that it helped attract donors or increase the level donors were willing to give at. *If you do apply for and receive a state tax credit, be sure to fully understand the process, who qualifies, and your organization's obligations in ensuring they receive the tax credit.*
- Small, low-effort, informal gatherings (such as cocktails at a donor's house) are more effective, time efficient, and affordable than large fundraisers for bringing in high-dollar donors.
- Look at all funding opportunities that could support the project. Consider grants, low-interest loans, and matching gifts.
- Have good marketing materials so people know what you are doing. If you are pursuing a building, make sure you have architectural renderings to show potential donors.

Donor Stewardship

Before the Campaign

- Before you even start fundraising, make sure you have thanked donors who have given to your operating. Build your relationships with existing donors now.
- Reach out to potential top donors (either yourself or through a consultant) to understand their willingness to support the campaign and what messaging is most effective.

During the Campaign

- Share what is happening with donors! People want to see where their contributions are going. Offer hard hat tours during construction or send out newsletters letting them know about the project's progress.

After the Campaign

- Continue to communicate with donors about how their investment has impacted the organization. Share newsletters regarding your work and emphasizing how the capital campaign has helped your organization expand its capacity.
- Invite those who contributed to the project to a ribbon cutting or grand opening of your new space if it is a building project. Invite them to tour your facilities once they are finished.
- Have a way to recognize those who contributed to the campaign (donor wall, plaque, etc.). It does not need to be prohibitively expensive, but should demonstrate to donors that they are a permanent part of the space.

The upsides of a successful capital campaign are unmistakable: this is a powerful way to build capacity, cement donor relationships, and foster good will in your community. They often serve as a catalyst for long-term organizational growth. In addition to addressing critical needs such as facilities or equipment, campaigns can strengthen fundraising capacity, deepen donor relationships, and raise an organization's visibility in the community. Many of the nonprofits we spoke with reported improved strategic clarity, stronger board engagement, and expanded community support as a result of undertaking a capital campaign. When thoughtfully planned, a capital campaign can position an organization for greater sustainability and impact well beyond the campaign itself.

Resources Used to Develop this Report

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