

# Time to Build?

## Steps on the Path to Your Next Capital Project



**A Guide for  
Congregation  
Leaders**



A ministry service of   
**Lutheran Church Extension Fund**



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# I. Letter to the Church Leader

## Dear Church Leader:

Sometimes it is difficult to determine the “what,” “when,” or “how” components of a capital project. We don’t always feel confident about taking risks. We may fear how others will react to our plans for change and the challenges it brings. We want to avoid division, upset, and outright conflict. Yet, we don’t want to stifle God’s Spirit. We want our congregation’s ministry to be “on the move,” the Church to grow, disciples to be made and nurtured, vitality and spiritual strength to be evident. So we seek wisdom—as church leaders, we want to act wisely.

As an ambassador of God and instrument of the Holy Spirit, you are one of God’s key people to identify and address opportunities for growth. To know when to take action and what action to take requires deliberate planning. *This is especially true when considering a major capital project!*

We are pleased to offer this guide to assist you in that effort. It explains the steps you will likely need to take to help make God’s vision a reality. You also may find its companion piece, the *Architectural Handbook*, helpful as you begin to take initial steps. The handbook is provided free of charge by the Lutheran Church Extension Fund’s Architectural Advisory Committee, and is available online at [www.lcef.org/arch](http://www.lcef.org/arch).

A great aspect of our Lord’s Church is that “*He has called some to*” various ministries to assist God’s people at different times of need. An added blessing, we believe, is when such “helpers” can be found within one’s own religious tradition.

As you plan a direction, remember that we at Capital Funding Services, together with the rest of the Lutheran Church Extension Fund (LCEF) family, are equipped and prepared to partner with you, bringing the programs, processes, and resources needed to help you meet your ministry challenge.

The result will be that God will be glorified, and with His grace and blessing, the ministry of your people will be enlarged, and His vision for your congregation will become reality!

—Your friends at LCEF’s Capital Funding Services



## II. Ten Essential Steps to a Capital Project

### 1. Community Trend Analysis

Changes in your community impact your congregation's potential for ministry. The needs, attitudes, and challenges of households in your area should inform the ministry vision and planning decisions you make. LCEF's Demographic Services can assist with a detailed demographic study.

### 2. Visionary Leadership Planning Process

Begin with the pastor's visionary leadership to cast a biblically based vision for the congregation's ministry into the future. That vision casting needs to be solidified with membership involvement, input, and ownership. A facilitated planning process helps the congregation build consensus in discovering God's purpose for them. LCEF's Strategic Ministry Planning can help you build a strategic ministry plan.

### 3. Facility Plan and Needs Analysis

Once a focused ministry/strategic plan has been adopted and priorities identified, the congregation should seek help to further define a profile of needs. A Site and Facility Needs Analysis is available through LCEF's Architectural Advisory Committee.

### 4. Developing a Fiscal Plan

The congregation needs to properly budget for the initial expenses related to conceptualizing the facilities needed. To fulfill that budgeting process realistically, it is advisable to detail a fiscal plan for a three- to five-year projection.

### 5. Loan Application Process

About this same time, the leaders of the congregation will need to talk to the LCEF District Vice President about a loan application. Details on approval, terms, and follow-up can be answered.

### 6. Hiring an Architect

Your chosen architect should be able to provide counsel on phasing and options, plus conceptual drawings and floor plans. The LCEF Architectural Advisory Committee can advise on liturgical and design considerations and help with hiring an architect.

### 7. Campaign Readiness Study

It is critical to properly inform your members and test their attitudes and giving potential concerning your case. The study will also assist in building consensus and ownership among your members.

### 8. Capital Campaign

Capital Funding Services believes that a capital campaign should be based on sound biblical and ethical stewarding principles. The Word of God and the Gospel witness will move your members to joyfully and willingly give sacrificial gifts.

### 9. Preparing for Construction

Once the campaign is completed and the commitments made, you should have an accurate financial picture of what can be accomplished. Final votes can be taken and detailed drawings, permits, and construction bids secured. LCEF's Laborers For Christ can be a key resource to your congregation in this area.

### 10. Construction, Dedication, and Usage

Builders can be selected and construction can commence! Your LCEF District Vice President can assist with the proper loan financing and closings. Dedication marks the climax to the process. Leaders, members, and all assisting in the process can celebrate and praise God!



# III. A Strong Case—A Foundational Issue

**YOUR CHURCH HAS A MISSION**—Given by our God in His Word. Your mission is shared by the universal Church. However, it is defined by your present or desired ministry field.

**YOUR CHURCH NEEDS A VISION**—How will it fulfill its mission? How will it be in ministry? What programs? Emphases? For whom? What tactics will it engage?

**YOUR VISION WILL DEFINE YOUR PROJECT**—What is needed to carry out the God-given vision for mission and ministry? How much will it cost? Staff? Building? Debt reduction? Relocation? Expansion?

**That brings you to. . . the CASE.**

**What is a “CASE” and how is it developed?**

**To make the CASE** is to offer convincing information enough for God’s people to “own” the project and become supportive in appropriate and timely ways.

**To write a CASE** is to prepare a statement that will become the base for telling the story. While each CASE is unique to the situation, there are common essential elements.

**The CASE must:**

1. Express an **actual need** for fulfilling the Church’s vision.
2. Be born out of **God’s mission** and ministry for the Church.
3. Convey **urgency**.
4. Be **owned** eventually **by the majority** of active members and constituents.
5. Be a **unifying** point for the majority of the congregation.
6. Be **small enough in scope not to overwhelm** God’s people, but **large enough to need God** and faith.
7. Be **worthy** of meaningful and significant response by God’s people.
8. **Give** as much **information and detail** as possible. It empowers the people.
9. Be a **Gospel-centered, optimistic** piece, enthusiastic about the future.
10. **Lift God’s people** up and affirm them in their responses to date.
11. Be **brief**.
12. Have the whole-hearted **support** of the **staff, leadership**, and key **volunteers**.

**Your Capital Funding Services consultant** has the ability and will give counsel and advice as this important piece is drafted for the campaign, and then communicated through the various channels.



## IV. Are Visioning and Goal Setting Needed?

To determine whether or not your congregation may need a ministry visioning and/or goal-setting process, answer the questions below ( “yes” or “no” ).

1. Does the congregation feel the community is changing around it?
2. Are the youth leaving after Confirmation?
3. Is it difficult to get nominees for church officer and board positions?
4. Do boards and committees meet but seem to have little vision or purpose?
5. Do meetings at church seem unproductive?
6. Is the leadership base too small or overworked?
7. Do you wish more of your people would “own” the ministry of the church?
8. Do your people have difficulty clearly verbalizing the unique ministry emphases of your congregation behind the Word and Sacrament?
9. Is there a need to study “the harvest field” around you to make conscious decisions for ministry?
10. Do the church leaders have large dreams and visions but most members don’t know about them?
11. Does your congregation need to focus?
12. Does your congregation need to develop a strategy to address present and future ministry challenges?
13. Is more meeting time spent on money than ministry?

**The more “Yes” answers, the more urgent the need for a . . .**

### **Strategic Ministry Planning Process**

(a detailed ministry planning process for your leaders and entire congregation)

or a

### **Vision Affirmation Workshop**

(a focused, visioning process for your leaders and entire congregation)

For more information, call your LCEF Capital Funding Services consultant  
or call LCEF at 1-800-843-5233.



## V. When is a Campaign Readiness Study Appropriate?



**AN AXIOM:**  
**PEOPLE WILL  
PARTICIPATE IN  
MAKING A VISION  
REALITY WHEN  
THEY FEEL THEY  
HAVE HELPED TO  
CREATE IT!**

### **A Campaign Readiness Study is appropriate when. . .**

. . .the church leaders (around 10% percent of members) have seen needs and **seek to discover consensus** among the entire membership about proposed solutions.

. . .there are **different options** for the congregation to consider and choose.

. . .the project is probably too large for financing in one capital campaign, thus the congregation **needs to agree on a phasing** of the project.

. . .there is a list of items that as a whole are probably not affordable, and will **need to be prioritized**.

. . .a process of communication and consensus building is desirable before entering a capital campaign because **there is a lack of awareness**.

. . .it is helpful to know the **financial potential** of a three-year capital campaign before proceeding.

. . .you as a leader have **uncertainty** whether the congregation is supportive.





## VI. Why Use an Outside Consultant?



Many pastors and church leaders think they can, on their own, lead their congregation in successful capital fund-raising campaign. It would appear to be the most economical path to follow, especially if the church is facing a second campaign after one led by a “professional.”

However, instead of being the most economical, **“self-led” campaigns are the most expensive.** Simply put, the most expensive money is the money the church *does not* raise.

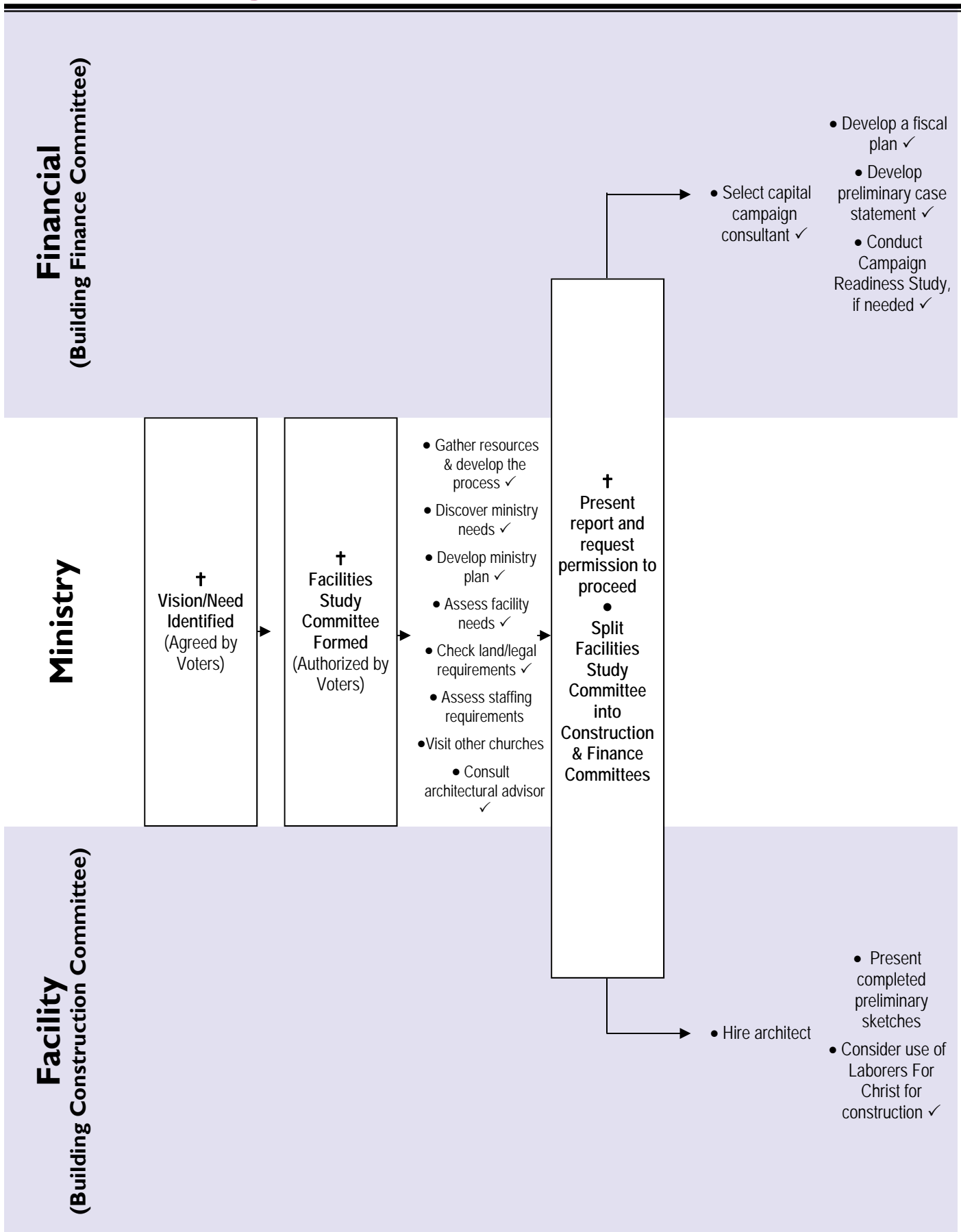
Other considerations:

1. The pastor initially may be in charge, or end up the “de facto” leader of a self-led campaign. Other areas of pastoral ministry may suffer for lack of time, while the pastor feels a burden to lead in the area of capital stewardship—a subject not taught in the seminary. **Using an outside consultant who understands the nature of the Lutheran pastoral ministry will strengthen your pastor’s ministry.**

2. **Using an outside consultant also strengthens the lay leadership of the church.** Usually self-led campaigns are costly to the leadership. Willing workers often are given new roles but provided with little or no professional training or guidance. Yet they are still expected to produce outstanding results. This can be damaging, cause strain or even burnout. Typical self-led campaigns mobilize far less of the membership.
3. **Using an outside consultant yields more results.** Self-led efforts usually produce about one-third of the church’s potential. The consultant is trained to motivate, organize, communicate, and educate in a way that will lead the church to a successful conclusion. A Lutheran consultant can be seen as a part-time staff person assisting the pastoral ministry in the same manner as Directors of Christian Education, Directors of Music, evangelists, teachers, and so forth. Just as Titus was sent to Corinth, so the Lutheran consultant comes to “. . . finish in you this same grace” (2 Corinthians 8:6) .

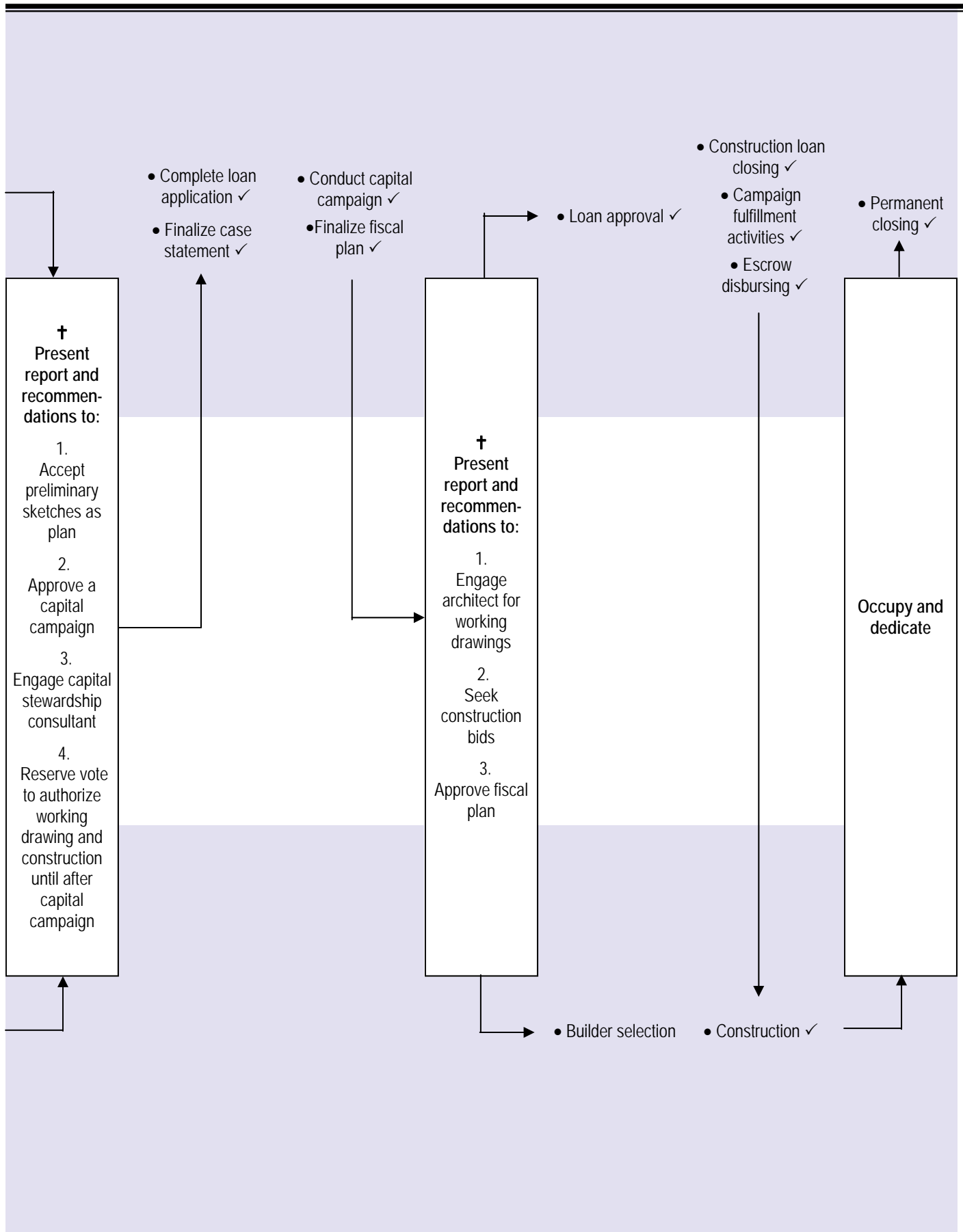


# VII. Building with Faith: A Flowchart of the...



† = Decision for congregation voters, council or directors    ✓ = Resources or services available from LCEF. See pages 14-15 for details.

# ...Building Project Process



# VIII. Using Resolutions to Move Your Project Forward



As the flowchart on pages 10 and 11 indicates, there are a number of times in the planning and building process when your members are asked to support the direction you are recommending.

Formal resolutions are the preferred method of securing

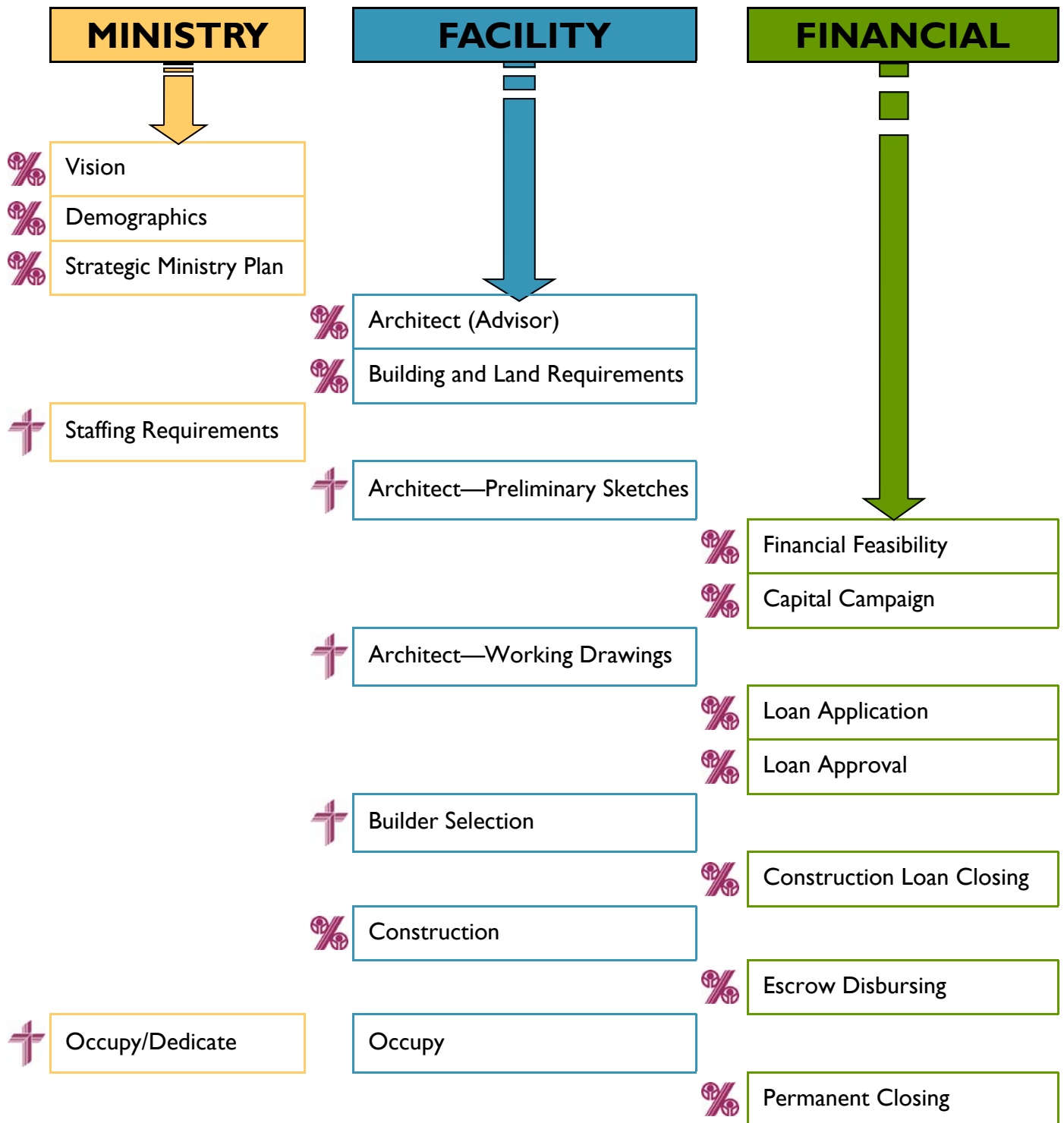
your members' support because a "whereas" statement can show the rationale and authority for the recommended action.

## Suggestions for Getting Resolutions Passed

1. The wording of the resolution should, if applicable, remind the reader that the congregation/council charged the committee with a task. The resolutions are the committee's report.
2. Have the resolutions adopted by the church council/board of directors prior to the congregation vote.
3. Schedule a "town meeting" to be held about one week before the scheduled vote. This will allow the voicing of fears and concerns without dispiriting the decision-making time. The setting also provides a forum to explain the case and entertain questions and comments well in advance of the scheduled vote. This will make the actual decision-making meeting run smoother and swifter.
4. Two weeks prior to the scheduled congregation vote, publish resolutions in the parish newsletter and/or bulletin inserts. Include the day and time of the town meeting; the day and time of the voter's meeting; and that the resolutions have been approved by congregation leadership.
5. By verbal announcement at worship services, draw attention to the resolutions and their intent. Ask worshipers to read, discuss, and pray for the Spirit's guidance in the decision-making process.
6. Include the town meeting and the project decisions in the prayers during worship services, asking God's blessing and the Holy Spirit's help in keeping the project a spiritual, ministry matter.
7. Schedule the decision-making meetings on Sunday mornings, limiting them to a very short time frame (15 - 30 minutes). Advise members beforehand that this is the time for voting; the time for discussion is past.
8. Look for a "Yes" vote of 75 percent or higher. "Unanimity" would be 84 percent or more (based on a study by Search Institute).



# IX. Building with Faith: Summary Flowchart



✝ = Congregation Decision

⌘ = Lutheran Church Extension Fund can assist. See pp. 14-15.

# LCEF's "Arch of Services"

Resources Connected in Support of the Great Commission



\* Available through your LCMS district's LCEF/CEF representative

LCEF is a nonprofit religious organization; therefore, LCEF investments are not FDIC-insured bank deposit accounts. This is not an offer to sell investments, nor a solicitation to buy. The offer is made solely by LCEF's Offering Circular. Investors should carefully read the Offering Circular, which more fully describes associated risks.



# LUTHERAN CHURCH EXTENSION FUND

## INVESTMENTS

### For Individuals

- Dedicated Certificates
- Family Emergency StewardAccount®
- Health Savings Accounts
- IRAs
- K.I.D.S. Stamps
- StewardAccount®
- Term Notes

### For Organizations

- Cemetery Perpetual Care
- Congregational Demand
- Congregational Endowment Notes
- Congregational StewardAccount®
- Term Notes

† LCEF is properly licensed or exempt from such requirements in the states where loans are offered to LCMS rostered church workers. AR: Mortgage Banker, License No. MLCB-11400; CA: Financial Lender, License No. 6037619; CT: First Mortgage Lender, License No. 8811; ID: Mortgage Broker & Lender, License No. 2301 and Regulated Lender, License No. RMD-651; IA: Mortgage Banker & Registrant, License No. 2000-0057 and Consumer Credit Notification, License No. 200009695; IL: Illinois Residential Mortgage Licensee, License No. MB 0006057, Illinois Consumer Installment Loan, License No. 2711; MD Consumer Loan, License No. 900; MI: Mortgage Lender, License No. FL2194, Regulatory Loan Act, License No. RL3037 and Secondary Mortgage Lender & Servicer, License No. 0016005; MN: Residential Mortgage Originator, License No. 20211170; MO: Consumer Credit Loan Company, License No. 367-01-0115; MT: Consumer Loan, License No. 560; NE: Licensed Mortgage Banker, License No. 540; ND: Money Broker, License No. MBI00280; OH: Mortgage Lender, License No. SM.501020.000; OR: Consumer Finance Act, License No. 0205-001-C; SD: Mortgage Lender, License No. 4315 and Money Lender, License No. 2314; UT: Mortgage Lender, License No. ME00061155; WI: Mortgage Banker, License No. 374 and Consumer License; WY: Supervised Lender, License No. SL1538.

## LOANS

### For Organizations

- Mortgage Loans
- Lines of Credit
- Construction/Bridge Loans

### For Rostered Church Workers<sup>†</sup>

- RCW Residential Loans
- RCW Home Equity Loans
- RCW Consolidation Loans

## SERVICES

### Ministry Services

#### ◆ Demographic Services

- Demographic Studies
- Targeted Mailing Lists

#### ◆ Strategic Ministry Planning

- Ministry Planning
- Constitution Revision

#### ◆ Architectural Advisors

- Architectural Advice
- Site/Facility Needs Analysis

#### ◆ Laborers For Christ

- Preconstruction Planning
- Facility Construction

#### ◆ Capital Funding Services

- Capital Campaigns
- Campaign Readiness Studies
- Vision Affirmation Workshops
- Annual Stewardship

#### Financial Services

- *Joyful Response*® electronic funds transfer for offering and tuition payments\*
- Loan Escrow Disbursing

#### Gift Planning Services

- Provided in partnership with the LCMS Foundation

\* LCEF's *Joyful Response*® service electronically transfers funds from your members' accounts to your organization's LCEF StewardAccount®. StewardAccount® access features provided through UMB Bank, n.a.





**A ministry service of**



**Lutheran Church Extension Fund**

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