

Use this as a framework for developing a capital plan for your parish.

1. Develop the list

A critical early step: what needs to be included in your capital plan? Make a list of everything you need to do over the next ten years. This ten-year schedule allows that you most likely will not have the money do it all at one time.

Most capital needs lists are physical plant items such as boilers, air conditioning units, roofs, paint, furniture, and buildings. A list of all of parish assets can be found in your accounting records on depreciation schedules. This is a great place to get information and to put each item on the ten year schedule based on the useful remaining life.

Also, keep in mind there are things that you don't see now that you will need in the future so it is critical to get staff and lay members involved to give feedback on how to develop the list. An example, in 1990, no one had any idea of the power of the internet – now it is an indispensable part of every office. Who knows what the next 10 years will bring – be prepared to control the future rather than having the future take control of you.

2. Prioritize the list

The best order for the items on your list is one which indicates their priority for being accomplished – the priority of need. This order is very fluid. Each year the plan needs to be reviewed. Some things will drop in priority while others will rise according to the needs of the church. For instance, the replacement of an outdated bathroom may drop in priority when your team realizes that the condition of the roof warrants more attention and funding. A donor may come forward and see something on the list that he/she would like to fund. There are donors like this in every church – let members know about the list and this could drive some support for completing items.

Some items are so big that you can't do them in one year; instead, items are taken care of in phases over several years. An example might be window replacement.

3. Monetizing the plan

For every item on your list you need an estimate of the cost. The dollar figure most likely will be an estimate but hopefully an educated estimate. Do not spend the time now to get quotes for every item, just make an estimate on how much each item will cost.

4. Establish Dates

Establish goals as to when items will be done. These dates can be fluid, of course. But if you don't put some type of date/goal, then it may never get done. Put it on the list with a desired "due by" time frame even it is done piecemeal over several years.

5. Inform Parishioners

Tell your parishioners what the capital plan list contains, why items are on the list, ask them for feedback on additional items for the capital needs list, be willing to alter the list as needed, and continue to tell people about the list. The more publicity you can create, the better.

6. Review regularly

The plan also needs to be flexible because needs change. At least annually go over the list. Move things around in priority, re-value items as you have new info about their cost, change the due dates as needed, move items to the bottom "already done" category, etc. The capital needs list is flexible – don't let it be static.

7. Find the Money

The parish needs to establish a capital reserve fund if it does not have one already. This is critical. There is no tried and true approach. It may come from excess funds if the church ends the fiscal year in the black as a result of better results compared to your annual budgeting. It could come from an annual collection. Parishioners need to know the capital plan exists and the short and long terms funding needs based on that plan.