

Successful Grantsmanship is More than Just Writing Proposals

Grantsmanship is the name of the process in which a nonprofit organization attempts to secure grant funding from public or private foundations and governmental organizations and agencies. The process has three major components:

Step 1. Getting Ready to Seek Support

The completion of certain organizational tasks is required prior to seeking and raising funds. Funders invest in organizations that have the structure, expertise and competence to successfully implement the strategies needed to impact the established need. Principally, the grant seeking organization must have:

- documented the need;
- a well-defined and articulated statement of purpose or mission;
- become incorporated and federally tax-exempt or developed a cooperative agreement with a federally tax-exempt organization;
- a Board of Directors – active and involved;
- developed long-range, strategic operational and program plans;
- established operating and program/project budgets;
- skills and resources to manage and administer the funds;
- knowledge and expertise to provide the promised result;
- organizational structure in place to manage program and finances; and
- the ability and resources to document success.

Step 2. Identify Community Needs to Attract Prospective Funding Sources

Typically, very little general support is available. Foundation and governmental agencies as well as corporations designate their funding for specific projects and programs. The grant-seeker must determine which of its current or projected programs or project would most attract the prospective donor.

Program and project planning must be completed prior to funding research and proposal writing. The project objectives should be consistent with the nonprofits' mission and the documented community need.

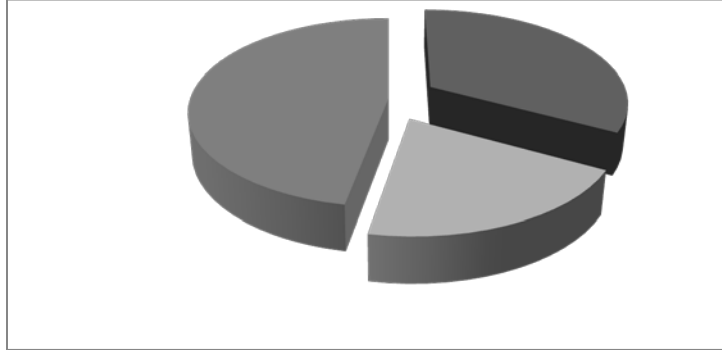
Step 3. Identifying Funding Sources

Funding sources have specific objectives and requirements. The grant seeker must determine if the needs of the funding organization and the program needs are consistent.

“Never write a proposal if you haven’t first fully developed the project. Otherwise, you have nothing to write about.”

Show Me the Money!

An examination of how the sector is funded will help develop a sound and *realistic* funding plan as well as give guidance in how to allocate time and priority.



Total Percentage of Support by Source

Governmental Funding

Private Support

Earned Income

Giving USA reports

\$290.89 Billion

Charitable giving by the Private Sector in 2010

Foundations

Corporations

Individuals

Bequests

Private Sector Giving Estimates by Type of Recipient

Giving USA looks at nine subsectors, or types of charitable recipients.

Giving to:

- **Religion**, at 35% of the total, remains the largest share of all contributions, with an estimated \$100.63 billion.
- **Education** rose to an estimated \$41.67 billion, an increase of 5.2%. Educational organizations received an estimated 14% of the total.
- **Foundations** rose slightly to \$33 billion, an increase of 1.9%. This includes private, community and operating foundations. This subsector received an estimated 11% of the total.
- **Human Services** is estimated to be \$26.49 billion or 9% of the total. Human Services includes the majority of the \$1.43 billion donated to Haiti disaster relief. It is estimated the 75% of disaster relief gifts were given to human services organizations. If giving to Haiti disaster relief were not included, giving to human services would have declined by 4%. The other 25% of Haiti relief giving was contributed to international relief organizations and is included in the international affairs subsector.
- **Health** also shows an increase, to \$22.83 billion or 8 percent of the total.
- **Public-Society Benefit** organizations was an estimated \$24.24 billion. This subsector, which includes certain types of donor-advised funds as well as umbrella organizations such as United Way, Combined Federal Campaign and United Jewish Appeal that collect donations and redistribute them to other charitable organizations, received 8 percent of the total.
- **Arts, Culture and Humanities** organizations rose 5.7% to \$13.28 billion. This subsector was 5 percent of the 2010 total.
- **International Affairs** (which includes relief, development and public policy activities) increased an estimated 15.3% reaching \$15.77 billion. This was 5 percent of the total.
- **Environment/animal-related** organizations declined 0.7% a decline of 2.3% to an estimated \$6.66 billion. This was 2% of the total.
- **Individuals** includes grants from foundations to benefit named individuals. Most often, these are gifts of medications to patients in need and are made by operating foundations created by pharmaceutical manufacturers. These gifts are estimated to have remained relatively steady in 2010, at \$4.20 billion or 2% percent of the total.
- Every year, *Giving USA* also calculates the **Unallocated** piece of the giving “pie;” for 2010, it is estimated to be \$2.12 billion, or 1 percent of all giving. These are dollars that cannot be attributed to any one particular sector.

“Keep in mind that a foundation, federal program or corporation has goals of its own. Thought should be given to how your organization or program will further the funder’s goals. It is wise to be specific. Too often, organizations appear to be concerned only with what the grant will do for the nonprofit and NOT what the grant will do for the individuals and community the nonprofit serves or what it will do for the organization contributing the money.”

The Chicago Foundation

Individual Giving Rank by State

From the Catalogue for Philanthropy's Generosity Index

Giving Rank	State	Having Rank	Generosity Index
1	Wyoming	17	16
2	Utah	30	28
3	Tennessee	35	32
4	Texas	22	18
5	Arkansas	46	41
6	Mississippi	50	44
7	Alabama	30	31
8	Oklahoma	42	34
9	South Dakota	44	35

Information is from Income Tax returns.

Funding Matching

Make absolutely sure your organization's vision and the communities needs match the funder's mission and requirements. Keep in mind that governmental sources are guided and "restricted" by the legislation that made the moneys available. When researching possible funders check to be certain there is a match in these areas of compatibility:

- Eligibility
- Philosophy/Mission
- Past Donations
- Distribution
- Type of Funding
 - Block Grants
 - Capital Funds
 - Challenge Grants
 - Competitive Grants
 - Discretionary Grants
 - Formula Grants
 - In-kind Donations
 - Matching Funds
 - Operating Support
 - Pass-through Funds
 - Program Funds
 - Reimbursement Grants
 - Seed Money/Start-up Funds
 - Sub-grants
- Size of Donation
- Time Frame
- Program Area
- Renewable
- Strings
- Contacts

“Dig where the gold is unless you just need the exercise”

Governmental Grants

Seeking funds from federal and local or state governments is a different animal than finding and applying for grants from private foundations or corporations.

Government agencies publish requests for proposals (RFPs) to which organizations can apply.

Sources of information about government funding include:

- Catalog of Federal Domestic Assistance (CFDA)
- The Federal Register
- Grants.gov
- Individual agency websites
- USA.gov for Nonprofits

Information about state and local government grants is not as easily come by. It differs by state and even by municipality. Your best bet is to check directly with local government officials and/or congressional offices for more specific information.

If Your Organization is Eligible for Governmental Funding... Consider Applying!

If your organization is eligible for federal funds, explore the possibility of getting them. Through it varies agencies, the federal government distribute billions of dollars each year though several hundred congressionally-created programs. The two basic mechanisms by which these funds are dispersed are:

1. Grants in which the government pays money in advance for services later, and
2. Contracts in which organizations provide services and is later reimbursed by the government.

Keeping Informed About Available Money

By law, the federal grants and contracts must be published; three federal publications and on-line sites provide basic information about available federal funds and the offices administering them:

- **The Catalog of Federal Domestic Assistance** provides information about categories of federal funding, describes programs the government is seeking to fund and lists names and contact information. Published once a year with a mid-year supplement.
- **The Federal Register** lists all available federal grants and supplies general program guidelines contact information. It also gives Advance notice of pending grants so that when funds are become available, you will be ready to apply. Published each business day.

Information Package

A request for information will produce an **RFP** (Request for Proposal) and an application packet from the granting agency. The RFP and packet will vary according to the funding agency and requirements. In general, however, the following materials will be included:

- Standard application forms
- Instruction sheet on filling out the application
- Fact Sheet completed after the completion of grant and signed by the administrator in your organization taking responsibility for the proposal.
- Budget information, including charts breaking down your organizational and program budgets on a quarterly and annual basis
- Assurances that your organization is in compliance with all regulations and relevant federal and state laws. These assurances may include the Equal Employment provision, and/or a statement insuring that none of the people in your organization are related to the people at the agency.
- Program specifics in the form of an extended narrative, is the critical part of the package. Read it to determine if you are eligible for funding; there may be requirements that disqualify your organization. This section will clearly delineate what the funding agency needs in the program. It should also include evaluation criteria.

Do You Want to Apply?

When you have examined all the program requirements and determined your organization is eligible, answering these questions will help you determine if you want to proceed with the application:

- Does your agency currently provide the services described in the program guidelines?
- Can the organization provide the services and comply with the guidelines without over extending itself?
- What are the implications (short and long term) of the program on the organization?
- Would the organization have considered this project if this funding were not available?
- What does the board say?
- Will your organization be able to attract funding for the program/service at the conclusion of the federal funding? If not, what impact will discontinuing the service have on your client population?

Some Hints:

1. Writing a proposal is a production process. It takes time. It takes assistance from others. Plan to have it completed two weeks prior to the deadline. When you submit your proposal it must be on time or it will not be considered.
2. Follow all directions and answer all questions. Don't expect reviewers to look for the answer - they won't.
3. Contact the individuals listed in the information packet. It is their job to assist you and to clarify matters of confusion and concern. Be 100% certain you know what the announcement is asking for. Remember the contact person rarely if ever has any part or influence in the decision making process.

4. Inquire if the funding has been allocated and appropriated.
5. If you have an opportunity to attend a Technical Assistance Session/Workshop do so. These are help when a grantmaker creates a new program, makes major change to an existing program or wants to drum up more business (ie application.)
6. Don't paint to horrendous a picture of the problem – funders want to fund projects that have a chance of success. Don't beg.
7. Consider collaboration! Most federal agencies want a multi-disciplinary approach. They are more likely to fund a youth-crime-prevention program involving a youth center, a police department, three churches and a neighborhood crime prevention program than a neighborhood crime prevention program alone.
8. Ideally the financial officer/accountant will be involved in the initial conceptualizing of the program. Financial reporting is a large part of managing a success federal grant.
9. The budget must reflect two elements:
 - The **direct** costs to run the project, and
 - The other **indirect** ongoing relevant organizational expenses.
10. Apply for the **Federally-Negotiated Indirect Cost Rate** if your organization is going to regularly apply for federal funds. Once you have established an Indirect Cost Rate it is easy to determine proposal budgets for federal grants.
11. Negotiation is part of the proposal process. If your initial budget figure is more/less than funding agencies expect, you may be asked to alter your proposal accordingly.
12. Show a commitment to keep the program going after the grant runs out.
13. Describe how you will publish the results.
14. Schedule a meeting with your congressman or administrative aide to inform her/him that you have submitted a proposal. Send a copy and consider attaching an expanded summary statement. If you later have a problem or need a letter of recommendation you can ask for assistance.
15. A consultant can be most helpful in providing you with technical assistance and advice. A consultant cannot be paid with funds from the grant.

The 21st Century Technology Grants in 1998 offered as much as \$2 million annually for a period of 5 years. Over 400 proposals were submitted from all states, twenty were ultimately funded.

Private Foundations

Begin your search for private foundation support at:

- Foundation Center – www.foundationcenter.org
- GuideStar (foundation 990's) – www.guidestar.org
- The Grantmaker website
- Topical Search Engines and websites

There are four generally accepted classification of private foundation:

Independent (“Family”) Foundations – an independent grantmaking organization established to aid social, educational, religious or other charitable activities. Endowment generally derived for a single source such as, a family or group of individuals. Contributions to endowment are limited as to tax deductibility.

Company-sponsored Foundations – legally an independent grantmaking organization with close ties to the corporation or industry providing funds. Endowment and annual contributions come from a profit-making corporation. May maintain a small endowment and pay out most of income received annually in grants, or may maintain endowment to cover contributions in years when corporation profits are down.

Operating Foundations – an organization which uses its resources to conduct research or provide direct services. Endowment usually provided from a single source, but eligible for maximum tax deductible contributions from public.

Community Foundations – a publicly-supported organization which makes grants for social, educational, religious or other charitable purposes in a specific community or region. Contributions received from many donors. Public donations to community foundations are usually eligible for the maximum tax deduction.

Private Foundations typically support the following purposes:

- General support
- Endowment
- Project grants
- Fellowships/Scholarships
- Capital grants
- Program-related investments/loans

Within each of the major grant categories there may also be additional variations. Some foundations want their awards to be used as “*seed money*,” to help or assist with a new enterprise or assist with its initiation. Others want their awards to be used for “*pilot projects*,” to demonstrate the effectiveness of some new model or approach – usually with the understanding that if the effort is successful continuing funding will sought elsewhere. And finally, a large number of foundations prefer to make “*matching*” or “*challenge*” grants, indicating that they will provide a certain sum of designated sum for every dollar raised elsewhere. Sometime the specific amount to be secured to qualify for the award is precise and sometimes not.

Corporations

Why would organizations created solely for the purpose of making money give it away?

Corporations offer not only money but partnerships, material resources, expertise and adult volunteers. Corporations see investments in nonprofits as investments in their future success, since a hardworking, well-educated, ethical community means hardworking, educated, ethical employees. Such investments also bring high-profile exposure for the company. While there are many multi-national corporations that offer money and other resources, it is your regional

or local corporations that are easier to target. Corporate philanthropy is often driven by their desire for public recognition. When applying for corporate grants, find the answer to the following questions:

- Does the corporation have a local or regional site in our area?
- Is there a formal application process? Who reads and scores the applications? Does an individual or committee make the decision?
- Does the corporation require that an employee “submit or recommend” the application?
- Does it publish an annual report or other documentation of its affiliations, mission statement, core values, past philanthropic investments?
- What resources other than cash does your agency need? Would experts, equipment or materials better meet needs?
- Will the corporation require the nonprofit to display logos or other commercial signs? Is that acceptable? Who must approve the display?
- Does the corporation require exclusivity? EXAMPLE: Must all the vending machines on campus be the companies? Can the logo appear on the teams t-shirts? Can the building carry the company’s name?
- What can your organization offer by way of publicity to show appreciation for their investment?
- Who reads and scores the applications?

Build Relationships - Market Your Vision

You must continually sell your idea to everyone involved with your organization: staff, board members, volunteers, your clients and their friends and families as well as other nonprofits, and the community at large. A proposal by its nature represents change and challenges your organization and clients along with the community around you to think and work differently. You never know when or where the next contribution will appear. And, you never know who it will appeal to. Everyone must have enough information to recognize an opportunity when it arrives.

Consider these avenues for promoting your organizations projects, and services and its larger goals:

- Board and staff training
- Websites
- Newsletters – standard and email
- Media coverage, regular press releases and events
- Community forums
- Informational brochures
- Bumper stickers, banners, signs, etc.

Throughout the proposal process you will need lots of support – and for many different reasons.