Grant Writing Demystified

Valuable Tips for New & Seasoned Writers[1]

- **Trends in Foundation Giving**

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Trends in Foundation Giving

- More emphasis is being placed on evaluation and "knowing how to recognize or measure accomplishments." To be competitive, you must be able to measure your outcomes (change), not just your outputs (activities).

- Foundations want grantees to collaborate with each other. At the very least, applicants should indicate their awareness of other like organizations and parallel initiatives.

- Foundations are becoming more proactive in their giving strategies.

- Foundations are becoming weary of funding the same organizations year after year, especially when over time the needs remain the same.

- Budgets and financial statements are not an afterthought. Increasingly, foundations look at your financials as a study of your project planning, strategy, and feasibility. Some funders read your proposal backwards, *beginning* with the budget. Craft accordingly.

- As foundations are receiving more requests and the requests are becoming more and more sophisticated, guidelines are becoming more tightly focused.

- Grantmakers are looking more closely for indicators of a nonprofit's stability in leadership, planning and long-term sustainability.

- There are fewer unrestricted grants and there are fewer multi-year grant awards.

PROJECT Funding Tips

Have Your Finances in Order

No matter how noble your project, appeals to funders' hearts do not win competitive grants:

- Applying to a foundation for funding is similar to approaching an equity investor to make a financial investment in your organization.

- If you are not already tracking your organization's income and expenses formally every month you need to do so.

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[1] Thank you to Tom Linfield, Vice President, Community Impact, Madison Community Foundation, Madison, WI for permission to make extensive use of his publication Grant Writing Demystified. www.madisongives.org

- The foundation will review your financial statements to assess your financial health, but also to make inferences about your leadership and past decision making.

- Financial statements for tax-exempt organizations help you solve problems, help you identify opportunities, and demonstrate your strengths in support of a grant. The main three types of financial statements are profit and loss statements, cash flow budgets, and if your annual revenue exceeds $250,000, balance sheet or statement of financial position.

Communication – Internal

Depending on the size of your organization, you may have resources better than your own among your co-workers, colleagues, other departments, or volunteers to aid your search for funding:

- Foster an alliance and information sharing between your fundraising team and your programming staff.

- Encourage constant communication with fundraising colleagues to get funding ideas and project updates. A good way to foster such collaboration is joint foundation visits. Your organization's program staff provide the project passion and your development staff provides the fundraising expertise.

- Secure organization commitment – is there an internal champion for the project in programming, development, or at the senior executive level?

Communication – External

- Seek internal partnership (departmental) and external partnerships (alliances, like organizations, media) to support the project's goals.

- Communicate plans, mission, assets, and success stories with your funding community before, during and after project application.

Planning

- Build a well-designed project and prove to the funder that it has a strong foundation and a plan for sustainability. Ask the difficult questions of your peers *before* the funder asks them (e.g., What will it really cost? Who will do the work? Are the resources in place?).

- Design a realistic timeline. Many foundations take 3-6 months to make decisions. Will the project still be as worthwhile to audiences in 2 years? Can you begin before full project funding is secured?

- Create a business plan. If you cannot identify viable funding sources (individual, corporate, foundation) that exceed your project need, you may stall in your efforts before you reach your goal.

Cultivation of Foundation Relationships

- Use your network – try to get introductions to the decision-maker(s) in the foundation. If you are unsuccessful in finding a connection, try reaching out anyway with a thoughtful question. The earlier you can begin a dialogue, the greater the likelihood that you will fully understand what the foundation is looking for in an award-winning project, the better you will be able to emphasize points of interest when you tell your story in the application, and the more likely someone will recognize your name or organization's name when the review process begins.

- Avoid "one-night stands" by nurturing a relationship with your funder. Keep them in the loop on your plans and successes.

- Let the funder, and other stakeholders, know of your success. Judiciously share materials that chronicle your progress – participant comments, Web site usage, photos, articles, a final report, impact of project on the public, impact on your organization, etc. Use this information to establish a track record and make the case for new projects as well.

- If they are willing, seek the assistance of your funder in leveraging additional funding. While corporations might prefer exclusivity, foundations appreciate multiple funders. Matching funds double or triple the foundation's investment in your organization. Many foundations are now requiring matching funds as a condition of eligibility.

- If a project is only of local interest and impact, it is rare a national funder will support it. Focus on the local funding community. A local community foundation can be a great partner in raising awareness of your organization or project within the philanthropic community.

- Find ways to appeal to national funders, even if you're focused on a seemingly local project. For instance, model a project that can be replicated by other organizations in phase two of the project. Or consider partnering with several other organizations and sharing the workload (e.g., one designs project structure, another maintains your web presence, another develops extended outreach plan).

Mission Match is Critical

- Don't keep gazing starry-eyed at a foundation that gives out substantial sums of money if your project doesn't align with that foundation's mission. And don't try to force-fit your project to make it look like a match – that will be seen through and risks a quick rejection of your funding request. The only exception is if you can find a champion for your project within the foundation's decision-makers. This is especially true of family foundations, less so in corporate foundations unless your champion has extraordinary influence (founder, CEO, founding family member, etc.).

Be Careful What You Wish For

- Corporations are often looking to polish their social responsibility image when awarding community grants. These grants may be conditionally linked to opportunities for the company to bring some of their employees to your project for a "volunteer day" where they can get great photos of their team in logo apparel and get good media coverage. These situations can create more work for you in the end and may or may not bring the kind of attention you desire for your project. Larger corporate grants usually come with expectations of promotional opportunities for their brand (social media shoutouts, company logo placed prominently on materials or signage) and have intensive reporting requirements.

A list of Grant Writing Resources is on the next page

GRANT WRITING RESOURCES

The Foundation Center – www.fdncenter.org/
Provides information on and links to private, corporate, and community foundations, as well as public charities. Provides free on-line tutorials for all aspects of grant writing.

Council on Foundations – www.cof.org/links
Provides information and links to private, corporate, and community foundations.

GuideStar.org – www.guidestar.org
Searchable database of more than 850,000 non-profit organizations. Includes many 990 forms.

4Grants.Net – www.4grants.net/quick.htm
Links to a variety of sites on grant writing tips, on-line classes and sample proposals.

Writing for Business and Pleasure - Grants – http://www.wilbers.com/grants.htm
A site with good tips and links to helpful articles.

Federal Register – http://www.gpoaccess.gov/fr/
Federal clearinghouse for federal grants and information.

Fundsnet Services Online – www.fundsnetservices.com
Provides links to foundations, daily updates of RFPs, and other resource categories.

Grantproposal.com – www.grantproposal.com
Advice and suggestions for letters of inquiry, full proposals, researching funders, and grant tips.

Grantwriters.com – www.grantwriters.com
Includes free grant information, a bookstore, and links to grants training workshops, on-line programs, university courses and web-based instruction.

The Chronicle of Philanthropy – www.philanthropy.com
The newspaper of the non-profit world. Some areas are for Chronicle subscribers only.

The Grantsmanship Center - www.tgci.com/
Site designed to help nonprofit organizations and government agencies write better grant proposals. Site provides a collection of over 800 proposals, available for a fee.