

The Art & Science of Grant Writing

Key Steps Your Organization Must Take to Secure Foundation Funding



By Devlin Donaldson and Julie Divine

American foundations are big players in the U.S. philanthropic scene, accounting for 11 percent of all charitable giving in 2003. Many ministries and nonprofit organizations are well aware of the important role foundations play, and thousands of ministries receive millions of dollars from foundations every year.

For some ministries, foundation grants represent the difference between breaking even or breaking the bank. For others, foundations underwrite important but hard-to-fund programs that have a powerful spiritual impact around the globe.

Every year, more and more organizations are pursuing foundation funding. And while foundation grants aren't for every organization, there's probably a foundation somewhere that's interested in supporting at least part of what your organization does.

Writing grant requests can be a complex and frustrating procedure, at least initially. But like everything else, the process gets easier with experience.

"I'd say it's an art, and not a science," said Paul Nelson, executive director of the Crowell Trust in Colorado Springs. "The art piece of it is at times the most frustrating aspect of the whole process."

The two most important things you must do to get started are: 1) identify the foundations that may be sympathetic to your ministry's programs, and 2) develop a procedure for engaging them and requesting their support.

Grant writing is a complex subject that's covered in numerous conferences, seminars, books, articles and websites. One of the best single sources we've seen is *The Foundation Center's Guide to Proposal Writing* (www.fdncenter.org).

Let's examine some of the key steps your organization must take if it hopes to secure foundation funding.

Few documents your ministry creates can have as significant a financial impact as a well-crafted grant proposal.

Research, Research, Research

There are thousands of foundations in America. If you're starting from zero, finding one or two that may be interested in supporting some of your organization's

unique projects may seem like hunting for a needle in a haystack. That's why gathering information needs to be your first step.

■ **Gathering Information.** What is it you want funding for? And who might be interested in funding this? Narrowing your answer to these two questions will help focus your research and more clearly communicate the organization's unique needs.

■ **Organizational Distinctives.** Next, consider your organization's distinctives. Think through the following questions: Why should anyone care about your programs? What specific need does your project address? What unique approaches does your organization use in its program delivery? Why is your organization better equipped than others to address those needs? And why must these particular needs be addressed now?

■ **Foundation Relationships.** Examine any possible foundation relationships your organization might already enjoy. Research any lapsed foundation relationships that may need to be repaired/re-engaged.

■ **Board's Connections.** Survey your board's connections. Often your board members know individuals serving on foundation boards. Don't let this important resource escape your attention. If board members have relationships with

tions whose interests may be a match for your organization's programs, begin building bridges to their key officials.

When you feel ready, *make contact* with some of them. Most institutional foundations welcome a phone call to discuss questions, guidelines and programmatic interests. Usually if a foundation does not want a phone call, this information will be listed on its website and/or in its published guidelines.

Better than a call is a *personal visit*. If

through your research and through your contact with the foundation.

Writing the Proposal

You knew it would have to come to this stage sooner or later! But since many ministry fundraising executives are already drowning in more projects and deadlines than they can ever meet, let's discuss the issue of *personnel*.

Many large ministries have a grant administration manager or department, while many smaller organizations hire out their grant writing duties to an outside consultant or freelancer. In either case, the important thing to keep in mind is *specialization*.

Few documents your ministry creates can have as significant a financial impact as a well-crafted grant proposal. Therefore we believe it's important for you to work with a professional. A well-crafted proposal may not ensure funding, but it can keep you from being eliminated from the process.

In our work with a number of organizations, and in our conversations around the CMA "water cooler," we're repeatedly surprised by the lack of sophistication in some organizations' communications efforts. Most organizations would never entrust their human resource departments to people with no actual management experience. The same goes for finance. But when it comes to communications, it seems many ministries believe any old "writer" will be good enough. Even if your organization has been getting along with less than Pulitzer Prize-winning caliber writing help, you may want to rethink this approach before you venture into the complex and demanding world of grants.

Many foundations receive thousands of requests annually from hundreds of organizations. When the foundations you approach compare your request to others they've received, you'll typically fare better if you *go with a pro*.

When your grant writer is ready to begin, gather the information to be used in the proposal, the letter of inquiry, or whatever initial step the foundation has decreed. Ask to see guidelines or samples of successful proposals. This will give you a better grasp of the common sections, attachments, stories, statistics,

Not All Foundations Are Created Equal

Many organizations allow themselves to adopt a one-size-fits-all approach to foundation and grant administration that's out of touch with recent trends in the grant-making community.

Not all foundations are created equal. There's a finite number of large, institutional foundations that employ detailed criteria and lengthy application procedures in awarding grants. At the same time, a vast and growing number of smaller family foundations essentially award grants on the basis of the individual founders' personal preferences or personal feelings about the relative worthiness of various organizations.

In our work with parachurch and other nonprofit organizations, we recommend that fundraising and development executives adopt a two-tiered approach toward soliciting funds from these two distinct types of foundations.

An organization's grant request administrator should work with the larger institutional foundations. But one or more donor representatives should be the primary conduit for an organization's relationship with family foundations and the high-net-worth individuals who make the decisions about what will be funded. Instead of treating family foundations as institutions, your organization should treat them as major donors, with all the high-touch relational engagement such donors typically require.

Organizations which adopt this two-tiered approach would also do well to begin segmenting their internal reporting on foundation giving, dividing grants according to their source (institutional or family foundations). This change will allow them to track foundation giving more accurately and deploy their limited development resources accordingly.

foundations, ask them to introduce your organization to some of the key players at relevant ones.

■ **Research Foundation Prospects.** Once you identify a few foundation prospects, go deeper to make sure your requests might be appropriate. Pay attention to what a foundation says about itself, including its stated interests and limitations. Note also the kind of information the foundation wants from an organization making a request. Religiously follow the foundation's instructions/guidelines.

Building Bridges

Once you've identified a few founda-

the foundation is local, or you'll be traveling to an area near a foundation's offices, inquire about meeting in person.

Develop a *schedule* for contacting appropriate prospects according to the stated deadlines for submission and your own organization's programmatic needs. For example, if one of your projects is slated to start in two months, that probably isn't enough time to work through the grant process. In some cases, a year and two months would be a much better time frame!

Before you make your grant application, make sure the project you're proposing and the amount of funding you're requesting are *appropriate*. Confirm this

endorsements and other elements that make up the typical proposal.

Here's a brief checklist of things to have on hand as you create your proposal:

- Foundation funding preferences and grant guidelines;

U.S. Charitable Giving at a Glance

The latest annual "Giving U.S.A." report on charitable donations was released in July, and the figures followed a now-familiar pattern. Total charitable giving in 2003 was \$240.7 billion, up slightly from 2002. And as in previous years, living individuals were the largest source of donations (\$179.4 billion, or 75 percent), while religious organizations represented the largest group of beneficiaries (\$86.4 billion, or 35 percent).

The only funding source that contributed less in 2003 than in 2002 was foundations. But even in their current weakened state, foundations gave away a whopping \$26.3 billion. And with the American economy and financial markets beginning to turn around, most informed observers expect foundation giving to grow considerably over the next few years.

You can buy your own copy of the detailed "Giving U.S.A." report by calling 1-888-5-GIVING or visiting the www.givingusa.com website.

- Your organization's 501(c)(3) IRS determination letter, IRS Form-990, organizational budget, audited financial reports and/or auditor's report;
- Endorsements from respected leaders or organizations familiar with your work;
- An organizational chart;
- And your board of directors listing

with affiliations.

Common proposal elements include these sections:

- Cover letter;
- Executive summary;
- Introduction, including information about the organization, its history, impact, mission and track record;
- Problem or need, emphasizing the specific needs the project will address;
- Objectives you hope your project will accomplish;
- Methodology, explaining how these objectives will be achieved;
- Evaluation procedures you will use to assess whether or not the project has been successful;
- Project budget and related costs;
- And last, but not least, the specific request you're making of the foundation.

Developing the Case Statement

Organizations that are serious about grants develop a document called the case statement. Case statements distill many years of work, many pages of writing, and many hours of meetings into a concise document that's used with donors and other funding audiences.

When developing a case statement, start with a checklist. Evaluate organizational reports and documents. Supplement this data with interviews with key staff, constituents and/or board members, as deemed appropriate.

Typically, you'll develop a first draft of the case statement and submit it to the organization for feedback, critique and more information. The more information provided at the front end, and the better that information is, the smoother the entire process will be.

Many organizations invest significant amounts of time and money in developing a solid case statement that they then adopt as needed for the individual grant applications they submit. If done right and regularly updated, the case statement can become one of the most important components of your process of interacting with foundations.

Evaluating and Regrouping

Not all grant requests are successful, so don't be disappointed if your first effort is rejected. But if you get turned down more than once, seek any helpful guidance you can get from the foundation about any-

thing you may have done wrong, or what the grant recipients did right.

There are many reasons grant requests fail to be approved, few of which are clear-cut and/or quantifiable.

"Foundation funding is still a subjective process that at times comes down to what happens in the course of considering a proposal," says the Crowell Trust's Paul Nelson. "It's not necessarily quantifiable. In most cases, foundations will receive four out of five proposals they aren't able to fund, but which meet all their criteria."

Nelson says some of the most important factors are "an organization's perceived credibility, capacity and track record. These are all critical elements to the process."

But an organization can meet all these criteria and still fail to meet other key tests. The crucial thing, Nelson and others say, is continuing the process of building a relationship with the foundation. Start by asking for feedback. Was the project not a good match with the foundation's interests? Is there a better match that should be presented next year?

If you are fortunate enough to receive a grant, make sure you report back to the foundation about the success and impact of your project. Ask the foundation what types of information it would like to receive from you, and make sure you provide it. Inquire to see if there's a specific reporting format your organization should follow.

Whether you're a grant recipient today or not, focus on tomorrow and follow up with the foundations you've identified as being interested in what you do. After all, the foundations and grants process isn't really about one specific proposal. It's about developing an ongoing relationship between your organization and foundations that may be willing to help you down the road.

Devlin Donaldson is a partner with The Elevation Group, a Colorado Springs full-service consulting firm that works with nonprofit organizations throughout the country. For more information visit www.theelevationgroup.com or call 719/598-7594.

Julie Divine is The Elevation Group's grants administrator and foundations researcher.

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