

40 Timely Fundraising Tips from Aranelle Consulting, LLC

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What Funders are Looking For in 2008

1. As the Baby Boomers are aging, many foundations have recently been established, some as tax shelters, some with true philanthropic intentions. As a result, all of them are looking for **“good” grant applications**. Well-written, logical, with appropriate outcomes. They want to be aligned with noteworthy projects and to feel good about funding what they fund and that the projects will make a difference.
2. The mission of the grantee **should be aligned with the mission** of the foundation or fund to which they are applying. It needs to fit and needs to make sense. If the mission of the foundation is to affect change with South American rain forests (environmental), they will most likely not be interested in funding medical projects unless you can figure out a tie-in of your mission with their mission. For example, acquiring renewable plant materials for your medical project from the rain forest might help to create a sustainable income for communities living there which would help the rain forest to stay protected. Look for a logical mission tie-in and possibility for unique collaboration with every foundation you approach.
3. Look at your **alignment issues** across all of your program lines. Funders want to be aligned completely with your organization, not just the one project for which you are submitting an application. Sometimes one program will conflict with the alignment of a funding entity and it will be a surprise to you when you are not funded. Do not be surprised. Do your research. Ask questions.
4. Your project should be **financially SUSTAINABLE** beyond the sunset of the grant. Funders change their priorities. Their foundation should not be your only funding source nor should you indicate that their grant will “save” the organization in your application. Funders want to know that you are looking at multiple sources for sustainability as well as thinking about continuity for income generation of your projects or programs either from service fees or profit centers built into your project. It is the same as funding a business plan with a bank loan. The bank is happy to loan you seed capital but does not want to see you come around year after year because your project has not been profitable nor sustainable.
5. **Look at your project as a business.** You might ask, “but I’m a non-profit, I can’t make a profit?!” “Profit” in a non-profit can be “made” in a variety of ways -- either by growing an increasingly sustainable project, capital growth in your endowment, a growth in individual giving, dynamic change in the community, or wonderful client outcomes because of your work. Look at what you will be able to bring back to the community in a tangible quantifiable way because of the partnership of your work mixed with the generosity of your donors and use that to “sell” your project to funders.

6. **Do not “ambulance chase” grants** and send your application to every foundation in the book. Do not mass-produce your proposals. Funders can see through it and can see that you have not done your homework nor been selective in applying. Funders will turn you down if they see you are just churning out grant apps without much intentionality.
7. Your application for funding should also **fit the funder’s organizational practices**. If after you research a funding entity and find that it is funding mostly children’s cancer research, it would not make sense to send them an application for an adult theatre project. If the entity only funds program development, do not send an application for operating expenses.
8. Does the organization “know” who it is that they are approaching for funding. Make sure to **learn about the foundation** before you approach them. Have you done your homework by knowing the difference between XYZ Foundation and XYZ Endowment Fund that they are perhaps two completely different funders in two different cities?
9. If you are submitting to corporations, **look at the prior year profitability** of the corporation to get a feel for their funding availability. Year-end profits often drive how much funding is available. Do not waste your application time by applying to a corporate foundation if they had a crummy 4th quarter and are near bankruptcy.
10. If you have a great deal of lead time, and are gearing up to apply for an enormous grant, talk to your funder and submit a strong and concisely-worded **concept paper** to get their guidance on your final application and to investigate the probability of funding. It is a good discipline and will force you to articulate your project goals. A concept paper generally should include answers to 1) for what project 2) with whom are you collaborating or also talking with 3) who are you 4) the amount of the asking.
11. **Call before submitting** an application (if you can or if it is allowed) EARLY in the process to ask all of the questions you need to ask, but do not pester and do not try to “charm” the funders. Be professional. Do not call the day before the grant application is due as it will look unprofessional. Do not ever appear “panicked” for funding.
12. Are you **appropriate** in your application? If the funder only gives \$2,500 mini-grants, do not send them an application for \$100,000 in funding.
13. How **clear and concise** are you in your application? Do not be nebulous in your request, or generic or vague. Funders want to know the specific details but be sure not to overwhelm them nor waste their time with too lengthy of an application unless the instructions require it.
14. Funders want to know that you actually **read the RFP**. All of them are different. Sometimes they even change from year to year. Follow the grant instructions or proposal procedures, put the paperwork in the format and order that they request, turn it in by the deadline indicated, follow the rules, do not try to make

- the process more complicated for them. You will need to do your homework and make the effort to understand what documents and narrative it is they need.
15. **Do not make your proposal reader work harder than you did preparing the grant.** Readers hate to have to flip around an application to read referenced attachments to figure out your road map for funding. Your paperwork should follow their narrative guidelines. Attachments are just extra data, they should not be the main focus of your application.
 16. **Provide ample financial documentation for your request.**
 - a. Annual detailed, audited budget for the organization
 - b. Overall project budget
 - c. Grant budget with the organizational overhead costs revealed
 - d. Connect the dots for the reader between all 3 financial pieces
 - e. Detail financial sustainability for the project over the long term
 - f. If you have not had much financial non-profit experience, get some training
 - g. Do not inflate your project budget expecting the funder to cut it
 - h. Do not low-ball your project budget expecting that it will not be funded if you ask for too much
 - i. Turn in an application which is financially accurate, credible, and consistent throughout. Check your math.
 17. **Not all funders are the same.** All of them have different emphases and nuances in their process. Your application should be tailored to each funding entity. Do not try to get your funders to tailor their program to your projects. It is not their job. They will not make the effort and you will be frustrated as a result.
 18. **Put yourself in the shoes of the foundation** and be objective. Pretend that it is someone else asking “you” for funding for the project you have put together. Would you fund it? Why or why not? If you wouldn’t be likely to fund it, it is highly unlikely that you will be able to attract others to fund it.
 19. **Your scope of work should be well-managed and use best-practice techniques** common to other non-profit organizations in your range of expertise. Keep good books, protect your organization’s reputation, use as much technology as your organization can afford similar to a business of your size. Hire qualified and sterling staff with kind hearts and determined to make the organization a success. Import credentialed and industry standard social programs and techniques into your project. Use the best curriculum. If all of this is done consistently, you will reap the benefits over the long term.
 20. **Can you clearly articulate** your need for funding and how you will solve the community problem you are trying to address? Have you clearly made your case for funding? You may make a strong projection of your data outcomes expected (“We will feed 1000 hungry people”), but have you clearly stated your process of how the outcomes will be achieved? (Stating vaguely “By running a good program” will not cut the mustard.)

21. **Do you have a clarity of purpose?** How will you know that you solved the community problem? How will you prove your end results to the community or to your funders? Will you publish your outcomes or send out reports?
22. **Be transparent in all of your work processes.** Have board minutes, audits, job descriptions, bylaws, manuals available and up to snuff. Do not hide information. Do not have secret meetings in your organization. Build and protect trust with your staff, board, clients.
23. **Protect client confidentiality.** Make sure that client files are protected and that you are following legal requirements and HIPPA guidelines if required for your service population.
24. **Sometimes you might need a consultant** to work with you prior to applying for a grant. They may be more helpful in helping you to clean up some operational skeletons rather than writing your grant. Let the consultant give you some technical assistance which might be more valuable than simply writing your annual campaign letter.
25. **Get fundraising newsletters that are pertinent to your industry and the scale of your organization.** Subscribing to the *Chronicle of Philanthropy* is sometimes too expensive to justify the information gleaned that will be helpful to a smaller organization as it is usually aimed at a multi-million dollar funding audience, but it can be helpful in spotting trends in fundraising in your industry. (So go read it occasionally at the library!) Consistently gleaning local community sources might be a more effective use of your fundraising dollars.
26. **Be honest in your proposals consistently and in all of your proposals submitted everywhere.** Some proposal evaluators sit on several foundation boards. If you have been honest in what you tell funders, you will be fine. If you have not, you will be talked about if you get caught. Do not worry about funders finding out that you have applied to several entities for the same project. They will be glad that you are realistic in looking at a broad base of funding sources.
27. **Do not come to a foundation as a last resort. Do not be last minute in your process.** Be professional at all costs, calculating and deliberate in your fundraising strategies.
28. **Have a mission and vision for your fundraising.** Develop a strategic plan planned well in advance where your staff and board of directors are entirely “on board” and behind the organization. Fundraising is an integral part of your operational strategy and should not be an afterthought nor something going on in another back room realm of the organization. Staff need to be out there selling the organization as well as your board. It is a team endeavor. Do not forget to keep the team plugged in.
29. **Follow-up reporting** is just as important as your initial grant application. If you hire someone to help you with your application, it might be wise to get them involved in any follow-up reporting so that there will be consistency of voice. By all means, make sure that you turn in any reports or findings required or not-required. Telling the story of your outcome success is just as important and will

- drive your future funding. Even if they do not require follow-up correspondence, send it anyway. Keep your funders engaged, talking, and thinking about your work and mission story continuously.
30. **More grants received will result in attracting more individual gifts.** Be sure that you have staff capacity to handle those smaller individual gifts. That will be your sustainable income for the future, but you also have to be able to manage the details of sending timely thank you notes and individual gift receipts and annual or quarterly reminders to build a strong individual giving funding program.
 31. **Are you using the most “here and now” ideas in your programs?** Make sure you are staying current in your program offerings. Program evaluation is very important. If your senior’s program attendance is down, it might be because you have a boring crafts program and your current generation of seniors are more energetic and would prefer to go rock-climbing. Remember that you might also need to compete with other non-profits for both funding dollars and clients. Funders will not fund dead or dying programs just because it has always been around in the community. Stay in touch with what your clients are looking for in terms of program services and respond to the community need. If they need heating assistance rather than food these days, work towards that need and scale back the food pantry.
 32. **Keep your programs “simple” and within the scope of what you can do and manage.** Do not try to offer more program than what you and your staff can manage or you will quickly burn out.
 33. **Share your challenges in your grant applications.** All of your proposal readers live in the real world, too, and want to know the good, the bad, and the ugly (within reason). If you have learned from your mistakes, share your process. It will make for a stronger application.
 34. **Get your program evaluated by an outside entity.** Your program may have reached the end of its finite life and may no longer be necessary in the community. Maybe all of the high school kids have graduated and moved away and now you are needing to reach out to seniors or you have been only serving seniors for 20 years and have no idea how to do outreach to migrant workers moving into the area. Make sure you have identified the community needs and are moving in the right direction within the context of your community.
 35. **Contrary to the urban legends, funders are starting to fund more operating expenses.** Most funders are realizing that operating costs (increased heat costs, increased health insurance costs) are proving to be burdens for many organizations and they are looking at funding applications in need of operating assistance. **Some funders will fund anything in your program except debt,** but sustainability issues will be a guiding factor. They want to see how you will get yourself out of your staff health insurance problem for next year or whether you are going to fix a bad boiler with the funds they give you.
 36. **Do you have a good mix of funding sources?** Are you building excitement with your application so that multiple funders will eagerly want to buy in?

37. **Multi-year grant funding normally lasts 3 years and is usually a structured phase-out funding process.** Anything longer than that is rare. Funders will seed new projects for a couple of years, but after that they will want to see that you are getting your act together, building match from an individual donor base and not becoming dependent on a fund or a peer foundation.
38. **Do not ever forget your politics in regard to whom you approach for funding.** Sometimes you will not be able to get your project funded because a bigger entity already has that project in its portfolio of services and has the ear of the mayor, the governor and the pope. Understand your political reality and respond accordingly. Sometimes you can collaborate or piggy-back with other organizations or funders on joint projects and share in the piece of the funding pie in spite of your competition. Look for creative ways to weave between the competition and fill a unique community need and carve out your program niche such that it will allow you to leverage for additional funding from a variety of sources.
39. **Think about how a related cost center or side business might help fund your organization. Let your organization become a client of the side business.** Collaborative and symbiotic businesses are developing everyday between nonprofits and small businesses. A food pantry opening a gently used clothing store is one example. Clients and donors can support both organizations. A good accountant can help you with setting up bookkeeping that allows for shared overhead cost savings ideas within legal and ethical parameters. However, if you are faith-based or family-run, you must be particularly diligent in keeping your organizations fully transparent and financially separate so that you do not jeopardize your 501(c) (3) status.
40. **If you open a side business to fund your organization, run it like a business.** This means that you might have to hire workers and consultants to help you get it going. Volunteers often burn out after the start-up phase when the novelty has worn off. Grow your business with reasonable expectations based on norms for the particular business or industry in your area.

Aranelle Consulting LLC helps nonprofits and small businesses to build their organizational capacity . We offer complimentary initial consultations. Drop us an email via http://www.aranelle.com/contact_us.html if we can be of service.