

Be Strategic in Grant Seeking – To Succeed!

New England Grassroots Environment Fund
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www.grantsandmore.org

Agenda

- Introductions
- Understand the Philanthropy Landscape
- Get Ready for Grants
- Research & Gather Information – How to Talk with (and Listen to) Funders
- Proposal Components
- Measuring Outcomes
- Project Budgets
- Proposal Tips
- Q&A

Philanthropy Landscape

Of **\$410.02B** in private giving in the U.S. in 2017:

- Individuals (living): 70%
- **Only 16% from Foundations**
- Bequests (individuals after death): 9%
- Corporations: 5%

These percentages are *identical* to previous years, and have remained remarkably stable over many years.

Total charitable giving by American individuals, foundations, estates and corporations rose for the 8th consecutive year in 2017.

Source: Giving USA Foundation: *Giving USA 2018*

For the first time ever, charitable giving exceeded the \$400 billion mark in 2017, spurred by growth from all four sources of giving.

\$410.02 billion

Where did the generosity come from?

Giving by Individuals ↑ 5.2% **70%**
\$286.65 billion

Increased 5.2 percent (3.0 percent when inflation-adjusted) over 2016

Giving by Foundations ↑ 6.0% **16%**
\$66.90 billion

Increased 6.0 percent (3.8 percent when inflation-adjusted) over 2016

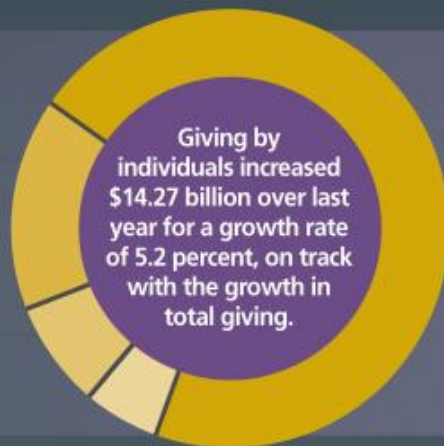
Giving by Bequest ↑ 2.3% **9%**
\$35.70 billion

Increased 2.3 percent (0.2 percent when inflation-adjusted) over 2016

Giving by Corporations ↑ 8.0% **5%**
\$20.77 billion

Increased 8.0 percent (5.7 percent when inflation-adjusted) over 2016

Contributions by source
(by percentage of the total)



Visit www.GivingUSA.org to learn more and to order your copy of *Giving USA 2018: The Annual Report on Philanthropy for the Year 2017*.



Giving to arts was the second-fastest growing subsector, with an 8.7 percent increase over the previous year to a total of \$19.51 billion in 2017.



Giving to foundations increased 15.5 percent in 2017, the largest gain of any subsector, far outpacing the growth in total giving.

Where are all of the charitable dollars going?

(as a percentage of the total)

The 6 largest subsectors all grew in 2017, but growth rates ranged widely from 2.9 percent all the way to 15.5 percent.

- 👤 **31% Religion** ↑ \$127.37 billion
- 🎓 **14% Education** ↑ \$58.90 billion
- 👉 **12% Human Services** ↑ \$50.06 billion
- 🏛️ **11% To Foundations** ↑ \$45.89 billion
- ⚕️ **9% Health** ↑ \$38.27 billion
- 💰 **7% Public-Society Benefit** ↑ \$29.59 billion
- 🗣️ **5% Arts, Culture, and Humanities** ↑ \$19.51 billion
- 🌐 **6% International Affairs** ↓ \$22.97 billion
- 🌱 **3% Environment/Animals** ↑ \$11.83 billion
- 👤 **2% To Individuals** ↓ \$7.87 billion

Giving USA Foundation™, The Giving Institute, and the Indiana University Lilly Family School of Philanthropy are pleased to continue their partnership in providing the most comprehensive, longest-running, and most rigorously researched resource on U.S. charitable giving, *Giving USA: The Annual Report on Philanthropy*. It is a privilege to report on Americans' generosity and related historical trends on U.S. charitable giving.

* All figures on this infographic are reported in current dollars unless otherwise noted.



Foundation Landscape

- 86,726 foundations in the U.S. in 2014, an increase of 80% in the past 12 years (though slowing down in the past couple of years)
(Foundation Center)
- In 2014, total assets of \$865B, total giving \$60B
(Foundation Center)
- Meanwhile... **1.5 million public charities** registered with the IRS – an increase of nearly 30% over ten years (Independent Sector)

...yes, there really is increased competition, yet foundation giving hasn't kept pace

Get Ready for Grants

- Organizational Readiness
 - 501(c)3 status
 - Board of directors that meets regularly
 - Annual audit/financial review (or Form 990 filing)
 - Board-approved organization budget
 - 100% board giving
 - Clear, compelling vision shared by board, staff and key constituencies
 - Quality leadership
 - Ongoing program and financial planning and evaluation
- Program Readiness
 - Program design is sound, budget is solid, the need exists & is documented, partnerships and Memoranda of Understanding (MOU's) in place, defined and measurable goals
 - For capital requests, quotes/estimates from contractors and vendors, architects
- Grant Readiness Checklists - for your organization, program:
<https://www.grantsandmore.org/resources>

Research – Do Your Homework

- Each foundation has a unique focus – no two foundations are alike.
 - *“We get dozens of proposals from organizations that clearly never did a lick of homework, and waste our time and the precious funds of their members sending out hopeless proposals to the wrong funders. I often wonder if these same people try to buy their groceries in the hardware store.”* – Executive Director of the CS Fund, quoted in *How Foundations Work: What Grant Seekers Need to Know About the Many Faces of Foundations*, 1998

It’s about them, not you.

Research – Learn What Each Foundation Wants

- Geographic limitations or preferences
- Funding priorities – e.g., target populations, issues
- Size of grants – most foundations are small
- Types of requests – capital, program, operating
- Preferred size of organizations supported (e.g., grassroots vs. large well-established organizations)
- Funding limitations – e.g., maximum percentage of project/program
- Waiting period for new proposal after denial or after receiving a grant?
- Many others – depends on foundation
- Need 501(c)3?

Funder Research (for a fee)

- Foundation Center's Foundation Directory Online (FDO): <http://foundationcenter.org/> - available for free at major libraries: e.g., Boston, Worcester, others
- Foundation Search: www.foundationsearch.com
- GrantStation – free with Grant Professional Association (GPA) membership
- Philanthropy Massachusetts (formerly Associated Grant Makers) Grant Makers Directory (Massachusetts and New Hampshire) <http://www.philanthropyma.org/>

Funder Research (free)

- Free online search databases:
<https://www.grantsandmore.org/resources%20-%20funder%20research.html>
- Foundation web sites (many do not have web sites, especially family foundations)
- Board members, program staff, conferences
- Similar organizations (annual reports, newsletters, web sites of peer organizations show their funders)
- Google Search
- Grants.gov (federal grants)
- Foundation's Form 990 (tax return) –
www.foundationcenter.org “990 Finder” (no fee for this feature) – enter foundation name & click on the latest year's Form 990 or use www.guidestar.org (registration required but free)

Foundation Form 990 (federal return) – What to Look For

- Check box “pre-selected applications only” (p 10), a clue if they want to hear from you
- Application instructions, deadlines and contact information (p 10)
- Total amount granted for the year (p 11) – a clue to the foundation’s capacity for funding
- Names and addresses of trustees
- List of grants (p 11) – grantee names, amount granted, and sometimes purpose (capital vs. operating) – clues to inform a request that is appropriate to the foundation’s giving history and capacity
- **See if you can picture your organization’s name alongside the other grantees.**

Gather Information – How to Talk with (and Listen to) Funders

- Reach out to foundations
 - Phone calls, emails – goal is to get information or a meeting
 - Community foundations and larger foundations have program officers whose job it is to talk with you.
 - Smaller foundations often have no staff and don't want calls, but sometimes an administrator or trustee will help
- Make sure the program you are seeking funding for is a true fit for the foundation and for your organization
- Prepare a concise project description and demonstrate the connection to the funder's goals
- Be ready to cite examples of grants made to other organizations like yours that encouraged you to make contact
- Goal is to secure an invitation to submit a proposal to fund a specific project

Gather Information – How to Talk with (and Listen to) Funders

- Treat meetings with program officers as “informational interviews”
- Find out what they want first before you talk about what you need – **Remember: It’s about them, not you.**
- **Listen first!** Listen before you “pitch” or “sell”
- Don’t necessarily let “no” deter you - they might be interested in another area of your work – have a menu of options ready
- Ask for their advice
- Ask if they know of other funders that fund this type of work

Letters of Inquiry (LOI's)

- Two-step process – increasing trend
- Letter of Inquiry (LOI), Concept Paper, Preliminary Application, Initial Proposal, or other name
- Saves everyone time – reviewers and grant writers
- Follow the directions, but generally only 1 to 3 pages allowed – sometimes less!
- Do not request a certain dollar amount at this point unless requested
- **Goal: get invited to submit a full proposal**

Proposal Components

Proposals should demonstrate:

- Compelling need (why)
- Urgency (why now)
- Goals & objectives (what)
- What you intend to do with funding (how)
- Target population (who)
- Location (where)
- Timeline (when) & Work plan (what)
- Measurable outcomes– to prove your results
- Why your organization is best suited to do it
- Connection to the donor's mission
- Other partners and funders – shows community support
- Organizational and program capacity and sustainability

Proposal Structure

But remember first: *Follow the Guidelines!*

- Cover Letter (one page, signed by Executive Director or CEO)
- Executive Summary (1 to 3 paragraphs depending on space allowed) that summarizes who, what, when, where, why, why now, how, and amount requested
- Organization – background, history, date of incorporation, achievements, awards & recognitions
- Need / Problem Statement / Context (cite research, statistics, quotes from experts)
- Goals & Objectives
- Work Plan – Timeline and Activities (what you are asking to be funded) – often helpful to prepare as a separate table or spreadsheet
- Methods – what methods and why? Best practices? Evidence-based? Pilot approach? Replicable? Reasoning behind your approach
- Measurable Outcomes – how will you measure success? How will you know when you see it?

Proposal Structure

- Key Staff – bios or resumes
- Partners and Collaborators
- Other funding sources – secured, pending, anticipated
- Conclusion (one or two sentences) – for example, you can thank them for considering your request; or flatter them for their work in the community
- Budget and Budget Narrative
- MOUs – Memoranda of Understanding, if you are partnering
- Attachments
 - IRS 501(c)3 Letter of Determination
 - Board Member List
 - Audit and/or Form 990 – make friends with your Finance Dept.
 - Organizational Budget
 - Annual Report
 - Press clippings, photos, testimonials, etc.
 - Letters of Support

Statement of Need

- Compelling and fact-based
- Supporting evidence – cite research and statistics, quote experts
- Avoid overstatement
- May include target population, demographics and their situation (e.g., poverty rate, unemployment rate among this population)
- May include location and its needs (e.g., poverty rate, unemployment rate in this city/county/region)
- Avoid national statistics – too broad, the more local the better (shows you know your community, residents)

Logic Models

A snapshot in picture or table form of your program that includes:

Inputs – staff, funding, partners

Outputs – what you do, the activities you are asking the grant maker to fund (e.g., educated X number of kids)

Grant maker: “So what? Did they learn anything? What difference did you make?”

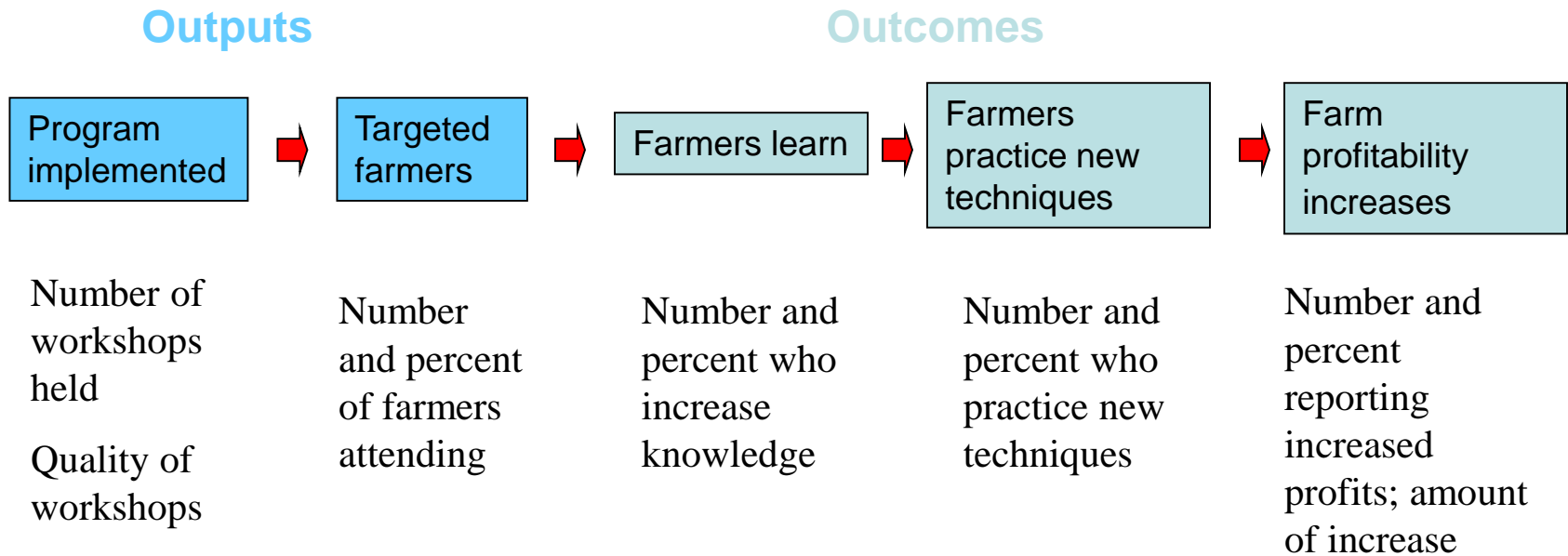
Outcomes – what changed as a direct result of your program? (e.g. changed observable behavior or learning as a result of the curriculum, outreach, etc.)

Logic Model Template



A logic model can help frame your proposal

Logic model with indicators for Outputs and Outcomes



Measuring Outcomes

- Keep it simple!
- Measure what matters!
- Limit metrics (indicators) to a few measurable or observable changes – the outputs (funded activities) that predict the outcomes – and the outcomes that show how you change the lives of your target population or conditions in your community
- Choose metrics that are already being collected or are easily incorporated into existing processes and systems
- What number and/or percentage of clients/students demonstrated a change in access, knowledge, attitude, skills, behavior, or overall condition?
- **Funders want to know “What are you learning?”**

Measuring Outcomes

(quantitative examples)

- Pre- and post surveys of clients, students, parents of students (e.g., did they learn anything, attitude change, behavior change, knowledge went up?)
- Percentage of clients against community benchmark (e.g., teen birth rate among the population served dropped below community or state average)
- Percentage of clients who succeed (at whatever the program is intended to do, e.g., get a job, keep a job for a certain time, attain next level of ESOL, etc.)
- Retention rate
- Graduation rate, grades/test scores improved
- Fewer class suspensions, disciplinary episodes
- Many more examples, depends on program

Measuring Outcomes

(qualitative examples)

- Testimonials from parents, teachers
- Students “write in their own words”
- Success stories
- Awards, recognition
- Quotes from others like government officials, partners

Project Budget

- *“The budget is an essential piece of telling our story. It is not an ‘afterthought’. It plays a leading role in a proposal.”*
-CEO of major nonprofit organization
- *“Budgets are a train wreck.”*
-Foundation program officer in Boston
- *“The Budget is my priority.. I want to see the structure of the whole project laid out there. If I like what I see, I call the development officers at other foundations and ask their opinion of the requesting non-profit. If I get positives responses, THEN I will read the narrative.”*
-CEO of major foundation

Project Budget

- Not just numbers! A budget tells a story ...about the project *and* the organization
- Do the budget first! You can't write a narrative without knowing what you're asking for
- Budget includes both expenses *and* income (sources of funding)
- Income and expenses should balance
- Keep it simple – one page typically
- Don't inflate costs or pad estimates
- Include assumptions (e.g., travel cost based on X miles at 2017 federal standard mileage rate, 53.5 cents/mi)
- Do not include expenses in the budget that are not mentioned or explained in the narrative
- For capital or equipment requests, cite quotes or estimates, web sites with costs, etc.

Budget Example

Project Budget – 7/01/2017 – 6/30/2018

Income

Grants	\$76,200
This Foundation (requested)	\$15,000
Individual & Corporate Donations	\$100,000
Program Service Fees	\$25,000
<u>Total Income</u>	<u>\$216,200</u>

Expenses

Personnel (salaries & wages, fringe benefits & payroll taxes) – Education Dept.	\$147,000
IT Learning Tool Consultants	\$15,000
Program Supplies and Materials (e.g., curriculum, lab)	\$10,000
Information Technology/Equipment	\$5,000
Travel/Transportation	\$2,000
Outreach Week activities	\$4,000
Internships	\$5,000
Advertising/Promotion (brochures, printing)	\$1,000
Occupancy	\$5,700
Administrative Overhead (11%)	\$21,500
<u>Total Expenses</u>	<u>\$216,200</u>

Budget Notes Example

(for budget in previous slide)

Budget Notes

- **Grants** for 2018-19 received or expected include Funder1 (\$20,000 received); Funder2 (\$5,000 received); Funder3 (\$3,000 received); and Local Bank Foundation (\$5,000 request planned, they have funded the program the last two years). Another committed source of unrestricted funding we apply to the program is Massachusetts Cultural Council support.
- **Program Service Fees** are from school districts with resources to cover the cost of participating, but do not cover the costs of developing technology learning tools and related equipment. Grants and donations also cover the City students.
- **Personnel** include salaries and wages, fringe benefits, and payroll taxes. These are the Education Director and department staff.
- **Outreach Week** activities include a week of activities in September each year that ends with a family day, one way we engage people of all ages in learning about and collecting data on the changes in flora and fauna in our watershed.
- **Occupancy** includes utilities, maintenance and repairs, property insurance (but not depreciation), and is based on 1/3 of the Education Department allocated to this program and the Education Department is 1/3 of total organizational budget.
- **Administrative Overhead** includes Finance/Accounting, Audit, IT, D&O, and other expenses and functions that are not easily allocated to a single department or program.

Budget Example

Project Budget – 7/01/2017 – 6/30/2018	This Request	Other Sources	Total Budget
<i>Income</i>			
Grants	\$20,000	\$71,200	\$91,200
Individual & Corporate donations		\$100,000	\$100,000
Program Service Fees		\$25,000	\$25,000
<u>Total Income</u>	<u>\$20,000</u>	<u>\$196,200</u>	<u>\$216,200</u>
<i>Expenses</i>			
Personnel (salaries & wages, fringe benefits & payroll taxes) – mainly for Educators and Education Director	\$10,000	\$137,000	\$147,000
IT Learning Tool Consultants	\$7,500	\$7,500	\$15,000
Program materials	\$1,000	\$9,000	\$10,000
Information Technology/Equipment	\$0	\$5,000	\$5,000
Travel/transportation	\$500	\$1,500	\$2,000
Outreach Week activities	\$0	\$4,000	\$4,000
Internships	\$1,000	\$4,000	\$5,000
Advertising/Promotion	\$0	\$1,000	\$1,000
Occupancy	\$0	\$5,700	\$5,700
Administrative Overhead (11%)	\$0	\$21,500	\$21,500
<u>Total Expenses</u>	<u>\$20,000</u>	<u>\$196,200</u>	<u>\$216,200</u>

Valuing In-Kind Donations and Volunteers

- In-kind donations and volunteer hours provide *leverage* – show them in a project budget or budget narrative
- Put in-kind donations and volunteer hours both as income and “expense” to achieve a balanced budget, or “off budget”
- Examples of in-kind donations – donated office space, volunteer time, product donations for events, etc.
- Valuing in-kind donations: research market rates on the internet at retailer sites, Craigslist; use the value the donor declares; other methods? Goodwill and Salvation Army have valuation guides
- Requires tracking though!

Budget showing In-Kind Donations

continued on next page

Program Name Budget – 01/01/2018 – 12/31/2018		
Sources of Funding	Amount	Status
Leadership donors	\$50,000	committed
Access Fund (annual appeal contributions allocated to this program)	\$10,000	committed
This request	\$5,000	requested
Other foundations & grants	\$42,000	committed
Other grant requests	\$38,475	planned
Total	\$145,475	
Expenses		
Tickets to performances (55% of ticket cost)	\$76,500	
Personnel (Education Department)	\$26,250	
Professional fees	\$3,000	
Program materials & supplies, curriculum	\$5,500	
Occupancy	\$8,250	
Travel (local)	\$1,500	
Miscellaneous: marketing, conference, video production	\$5,500	
Total Direct Expenses	\$126,500	
Indirect Costs (15%)	\$18,975	
Total Expenses	\$145,475	

Program Name Budget – 01/01/2018 – 12/31/2018 (continued)		
In-Kind Contributions		
Touring Company: Discounted tickets to 2 performances (45% of cost)	\$62,595	committed
Local transit authority: \$3.00 fare * 2,400 students or transportation donated by local bus company, about 25 to 30 buses per show, comparable value to local transit	\$7,200	committed
Total In-Kind	\$69,795	
Budget Notes:		
-Ticket costs: the touring companies donate a reduced rate for these special performances to help make the program possible.		
-Staff expenses includes salaries, payroll taxes and benefits, based on 8 weeks staff time devoted to this program.		
-Occupancy includes building maintenance, supplies and repairs; utilities; insurance; and depreciation, based on Education Dept's allocation/usage of facility and 16.6% (8 weeks) of Education Dept. staff time		
-Indirect Costs include Finance, audit, HR, IT, payroll, etc.		

Volunteers

- Independent Sector: <https://independentsector.org> compiles the value of a volunteer hour nationwide and on a state by state basis. **The estimated dollar value of volunteer time for 2017 is \$24.69 per hour. Charitable organizations can use this estimate to quantify the value volunteers provide.**

2017 figures are also broken down by state. In New England:

• Massachusetts	\$31.17
• Connecticut	\$30.24
• New Hampshire	\$25.52
• Rhode Island	\$26.17
• Vermont	\$23.71
• Maine	\$22.53

- According to the Corporation for National and Community Service, 77.34 million Americans, 30.3% of the adult population, volunteered 6.9 billion hours, worth \$167 billion in 2017.

Other Funding Sources

- May need several sources to meet budget
- Shows that other funders are taking a risk
- Leverage
- Your own money! Shows you have “skin in the game”
 - Cash: board, individuals, foundations
 - Non-cash: In-Kind, Volunteers, etc.
 - Organization investment
- Mark as “secured”, “pending”, “anticipated”

Proposal Writing Tips

- Be clear, organized and succinct
- Advice from George Orwell:
 - “Never use a long word where a short one will do.”
 - “If it is possible to cut a word out, always cut it out.”
- Avoid lingo, jargon, multiple acronyms
- Avoid fluff words and clichés
- Avoid overstatement (e.g., please don’t tell the reviewer your project is “exciting” – let the facts speak for themselves to get the reader excited)
- Know your audience – tailor to the foundation’s interests as much as possible (but don’t pander or “parrot” their phrasing)

Proposal Readability Tips

- Use headings and subheadings to make it easy to read and locate information
- Times New Roman 12-point font
- One-inch margins
- Readability Statistics
 - Flesch Reading Ease (60-70% best, hard to do)
 - Flesch-Kincaid Grade Level – never above 12, aim for 10

Proposal Tips

- Remember first: Follow the guidelines!
- Honor deadlines: “No, you can’t have an extension.”
- Don’t over-promise – funders see through it
- Details matter: proofread, check budget numbers
- Ask amount is appropriate for the funder, and your project and organization size

Potential Funding Sources for Grassroots Environment Groups

- Community Foundations
- Funders who fund **issue areas** – climate change, land conservation, agriculture, environmental education, etc.
- State funding:
 - Massachusetts Cultural Council and Local Cultural Councils in Mass
 - Connecticut towns have a similar program – funds interpretive science and environmental programs
- Quick search in my databases, for example:
 - Fields Pond Foundation (funds trails, land conservation)
 - William P. Wharton Trust (funds research, management, education, and land acquisition for wildlife, conservation in Massachusetts)
 - Green Leaf Foundation (funds environmental and animal causes in Massachusetts with focus on agriculture)
 - Ben & Jerry's (funds groups throughout New England with focus on Vermont)
 - Haymarket People's Fund (funds social justice throughout New England)

Thank You for Listening!

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www.grantsandmore.org/resources.htm – links to free funding search engines, my presentations and blogs, and other resources