Applying for a foundation grant: basic advice for grantseekers

When nonprofit organizations seek funds for their programs and activities, they often turn to foundations to help. And it is well that they should. The United States has more than 50,000 grantmaking foundations and they are one of the nation's most valuable civic resources. In 1999, U.S. foundations awarded more than $30 billion in grant revenue.

But it is also important to understand that foundations are only one, and perhaps not always the best, source of funding. Of the $190 billion donated for charitable purposes in 1999, only 16 percent came from foundations. Individual donors led the pack, with more than 76 percent of contributions. So don't overlook the generosity of givers within your midst.

Should you decide to pursue a foundation grant, bear in mind that competition for foundation funding is quite high. Organizations do not automatically obtain grants from foundations simply because they are doing, or hope to do, great things. At many foundations, only about one in every 10 grant requests is funded.

Still, those numbers need not be as daunting as they sound. If you do your homework when preparing a request for funding, you will stand a better chance of receiving support. The following guidelines were designed to help you better understand the process. They seek to address such questions as: What's the best way to apply for a grant? How do foundations decide who gets what? Who should you talk to, and what will they want to know? The information presented in this document is based on interviews with project officers from 12 foundations who represent a range of private, family, community, and corporate foundations. They seek to give you the basic tools you need to determine how best to approach a funding source.

Finding the right match

Although foundation requirements and procedures vary widely, there are common elements to keep in mind when approaching a foundation for funding. The key information includes what funders are interested in, how to approach them, and how to present ideas to them.

The most important factor is to find the right match between your organization and a grantmaking foundation. Some grant applicants seem to prefer the "shotgun" method. In scattershot fashion, they mail stacks of grant proposals to numerous foundations, hoping that quantity will supersede quality. This is not a productive way to do business. Most foundations limit their grantmaking to distinct subject areas (such as health, education, youth), and/or to specific places (such as the United States, southern California, or the South Bronx). Foundations do make grants outside their areas of interest, but only for exceptional cases. When you ask for an exception early on, your proposal probably won't even make it through stage one of the review process.
It's far better to use a targeted approach based on sound research. To determine which foundations might be interested in your project, consult a Foundation Directory guide, available at most public libraries. For on-line materials, visit the Foundation Center website at http://fdncenter.org/. Another important resource, particularly for non-U.S. funders, is the European Foundation Centre in Brussels, Belgium.

European Foundation Centre
The New Europe Conference
51 rue de la Concorde B-1050
Brussels, Belgium
Telephone (32) 2 512 89 38
Facsimile (32) 2 512 32 65

As part of your research, remember to note the following.

- Which foundations make grants in areas related to your work

- Which foundations are interested in the type of effort and audience your project will serve.

- Where to obtain application forms; grant applications deadlines; supporting materials needed; as well as address, phone, fax numbers, e-mail and website addresses.

Getting Connected

With these basic questions answered, you can call or write to a number of foundations and request additional information. This helps you to know them better, and to further decide if a close match exists between your project and their mission. Useful documents to gather during this phase include annual reports, informational brochures, and application packets.

Once you've studied these materials, and identified a good potential match, it's time to make initial contact. As mentioned earlier, the typical foundation receives far more proposals than it can fund each year. Yet at some large foundations, up to 80 percent of all grant proposals are rejected for a basic reason: they fall outside the foundation's set areas of funding. If you devote a few hours to basic research, your preproposal can easily clear this first hurdle.

Even so, your preproposal must still stand out from the large number of good preproposals that most foundations receive. This is hard to do in a proposal addressed "To Whom It May Concern." It's far better to make direct contact with a program staff person at a foundation of interest. Who is the most appropriate person to contact? A simple technique for finding the right individual is to ask the staff member who answers your phone call. Simply state your project's focus and ask for a program officer who works with similar projects. You can usually identify the key person who is responsible for project development in the appropriate area. One of the best things you can do is talk with the key program officer about your proposed project and ask them how to proceed. There is much variation among foundations about procedures and the preferred sequence of communications. Finding out the best approach for each foundation is critical, and it is important to play by their rules.

Do not – repeat, do not – send a full proposal to start with. Send a short "preproposal" instead. The key is to be as brief as possible. Program staff read hundreds of proposals every year. Some of them are 100 pages long. If a two- or three-page preproposal is sent, it already has a better chance of getting a thorough review. This brief, concise document can help the program officer determine if your project idea matches the foundation's mission. If there is agreement on the match, then a full proposal can be developed.

Preproposals that stand out from crowd

Most foundations will accept any number of approaches to a preproposal, so long as they contain the basic information needed to understand the project idea. The document need not contain a long statement of the problem the proposed project is trying to solve. Program staff have read about the problems hundreds of times, and need not do so again. Many of them were hired because of their background in the assigned topic area. Instead, start the preproposal with a one-sentence statement of the problem, such as "25 percent of the high school students in our community drop out every year, and this number is far too high." Next comes the important part: What will your proposed project do about it? Present two or three solid paragraphs on how the project plans to solve this problem. Remember, the program staff person knows nothing about your specific project and will need to know exactly how you plan to manage it. It always helps to share a timeline for implementing the project.

Now for the part of the preproposal that almost no one thinks to write: the continuation plan. Once the project has started, how will you keep it going? Remember that foundations like to start new things, but generally do not like to fund anything 100 percent, and never like to fund anything forever. In one or two paragraphs, explain how much of your organization's own money will be invested in the project, and how funds will be raised from other sources to keep it going after foundation funding ends. A few useful paragraphs on this subject will distinguish your preproposal from about 90 percent of those received by most foundations. Applicants focus intensely on acquiring the money to start a project, but often devote little thought to how resources will be provided in the long term. A thoughtful, honest, and clear continuation plan is essential. Program staff have considerable experience in this area and can easily identify a weak plan.

The next thing your preproposal needs is a paragraph or two on how your organization intends to evaluate the

project's results. The evaluation plan should describe what the organization wants to learn and how they will use the information to improve and sustain the project. It never hurts to ask a foundation for some money to hire, for example, an expert on the topic area from another location to come in and evaluate the project. This will help you and the funder gauge how successful the project has been, and will identify lessons that can prove valuable in the future. Again, most grant applicants overlook this. It will make your proposal stand out if an evaluation strategy is included from the start.

The last part of the preproposal is a simple budget. The budget should have five or six line items that tell the foundation exactly how your organization intends to spend the requested money. There will probably be a line item for personnel, another for supplies and materials, one for travel, another for meetings, and so on. There should be a clear and explicit link between the budget and the proposed activities. This will give the program staff person a general idea of planned expenses and will allow a subsequent request for more details if needed.

A very brief preproposal can only outline the bare bones of a project idea. But that is all a program staff person needs to get excited about the plan. It will be up to him or her to ask for the details necessary to put flesh on the skeleton. The fact of the matter is, if a preproposal can get noticed among the large number that come in every year, you are well positioned in the grantseeking process.

Once a program staff person starts working with a proposed project, the chances of getting the grant are much better, because it now has a guide to see it through the rest of the process. That process usually includes a request for a full proposal and a site visit by the program staff person. Since the program staff will help you through these steps, we won't discuss them here. At this point, it's more important to consider what makes for a successful preproposal. As an applicant, you want to help the program staff member answer "yes" to the following to questions:

- **Is this a new approach?** Most foundations like to fund new and exciting things, not more of the same. Foundations are interested in proposed solutions that show awareness of what has been tried, and that build upon this to develop a promising, new idea. And innovation doesn't always mean that you have to reinvent the wheel. It can include improving the effectiveness of an existing program, as well as designing a completely new program.

- **Has the applicant done their homework about the foundation?** An applicant that can demonstrate a close match between their mission and the mission of the foundation is more impressive than someone who has just thrown together a proposal.

- **Is the applicant determined to carry out the project no matter what?** Foundations like to fund people who are committed to what they are doing, not people who will only do it if a funder gives them money to do so.

- **Does the applicant have the know-how to make it work?** Project staff don't have to be world-famous experts in a given area. But they do need to have relevant experience and enthusiasm. Information about the key staff members involved will help show the applicant's qualifications to conduct the project.

- **Is this project being undertaken to improve the lives of people, or to make the organization bigger and richer?** Funders care about people and results more than they do about building the reputations of organizations.

- **Is the applicant doing things for, or doing things with, the people they're trying to help?** If the applicants are trying to help children, then young people should be involved in preparing the preproposal. Foundations think it's important that those who will be helped have some say in the matter. Information about the organization's board of directors and related volunteer committees will help illustrate the types of people who will lead and advise the project.

- **Is the applicant investing money in the project?** This tells foundations that your organization is committed to the project, and that it is important to them. It also suggests that your project will continue after the foundation grant expires, and that your organization will do what it takes to find other funding.

- **Does the applicant have a comprehensive approach to the problem?** A complicated problem is rarely solved by a simple solution. Foundations are looking for people whose answer is at least as sophisticated as the problem they are trying to solve, and who link up with other organizations to work more comprehensively.

- **Is the applicant willing to work collaboratively with anyone who can help?** Foundations do not want to fund 18 different projects to help dropouts in a single high school. There is already too much needless

duplication of social and human services. Along with saving money, collaboration also builds a cooperative spirit that is essential to solving the problems of people.

- **Is the applicant willing to let impartial evaluators assess their work?** Good evaluation is not punitive, but informative. Accurate evaluation data is a powerful tool that allows funded projects to make mid-course corrections, and helps foundations to better understand the true nature of social problems.

- **Will the project continue after foundation funding ceases?** Foundations like to consider their grants as seed money. They want to support projects of such value that they will continue to operate even after the grant money runs out. There is little sense in starting a project that is going to end two or three years later, after foundation funding comes to an end.

This is our best advice on approaching a foundation. Good luck!

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On-line resources for grantseekers

Numerous web sites offer a breadth of information regarding foundations, fundraising, and philanthropy. The following compilation is provided courtesy of the Minnesota Council on Foundations.

American Association of Fund-Raising Counsel
www.aafrc.org
Included here are highlights of AAFRC's annual "Giving USA" report, which provides an overall snapshot of U.S. giving from all sources.

American Philanthropy Review
www.charitychannel.com
This site includes reviews of periodicals, books, and software on fund-raising, written by volunteers from the fund-raising field. Visitors can sign up for various e-mail discussion forums on nonprofits and philanthropy.

Community Wealth
www.communitywealth.org
This site aims to be a centralized, online resource and discussion forum for "community wealth." It highlights new approaches to building communities in ways that blur the traditional lines between nonprofit and for-profit efforts.

Council on Foundations
www.cof.org
Association of foundations and corporations which serves the public good by promoting and enhancing effective and responsible philanthropy.

Forum of Regional Associations of Grantmakers
www.rag.org
Information on efforts to strengthen philanthropy both nationally and regionally.

The Foundation Center
www.fdncenter.org
Serving the information needs of grantseekers and grantmakers.

The Grantsmanship Center
www.tgci.com
This site lists new grant announcements daily from the federal government's on-line Federal Register.

GuideStar
www.guidestar.org
This site offers the largest-ever on-line posting of nonprofits' informational tax returns, in an easy-to-use searchable database. GuideStar's mission is to improve the effectiveness of the nonprofit sector through the collection and presentation of comprehensive information about nonprofits.

Helping.Org
www.helping.org
Produced by the AOL Foundation with the Benton Foundation, this site bills itself as an easy-to-use, one-stop resource for giving and volunteering. Visitors can search the GuideStar nonprofit database, look for volunteer opportunities by zip code, access a nonprofit technology tool kit, and much more.

Idealist
www.idealist.org
An on-line directory of over 10,000 nonprofit and community organizations working in 120 countries, with detailed information on their services, volunteer opportunities, materials, and job listings.

Independent Sector
www.indepsec.org
A national forum to encourage giving, volunteering, not-for-profit initiative and citizen action.

Internet Prospector
www.internet-prospector.org
A nonprofit service to the prospect research fund-raising community.

National Center for Nonprofit Boards
www.ncnb.org
NCNB offers advice to nonprofit boards at this site.

National Commission on Philanthropy and Civic Renewal
www.hudson.org/ncpcr
Information on NCPCR's research efforts and recommendations for improving U.S. giving.

National Society of Fund Raising Executives
www.nsfre.org
This site includes the NSFRE Consultants' Directory, an annual paid listing of NSFRE members and affiliates whose fund-raising services are available on a consulting basis.

Nonprofit Sector Research Fund
www.nonprofitresearch.org
At this site by The Aspen Institute's Nonprofit Sector Research Fund (NSRF) you can access the full text of the Fund's reports on nonprofits and philanthropy.

Online Mentoring Resources
www.mentoring.org
This Web site by One to One|The National Mentoring Partnership offers helpful information and research on mentoring.

The Philanthropic Initiative, Inc.
www.tpi.org
The Philanthropic Initiative, Inc. (TPI) is a Boston-based nonprofit organization offering philanthropic design and management services to corporations, foundations, individuals, and families.

PhilanthropySearch
www.philanthropysearch.com
This site bills itself as the Web's "first search engine serving the nonprofit and philanthropic sector."

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