



# Right on the Money

How to keep the doors  
of your nonprofit  
organization open in good  
times and bad.





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## **Financial Management**

## **Facing the Economic Downturn Head-on**

In the midst of widespread panic about the economy comes some measured advice for nonprofit managers. In an on-demand webinar Hilda Polanco, managing director of Fiscal Management Associates, and Kristin Giantris, vice president of Nonprofit Finance Fund, outline practical steps for surviving these trying times. They say nonprofit leaders can take action in the following ways:

- Know how much cash, credit and savings the organization has.
- Talk regularly to their bankers.
- Prioritize programs based on how well they match the nonprofit's mission and how much income they generate.
- Consider ways to partner with other groups to consolidate programs or reduce administrative costs.

“Current times have called for drastic changes in our strategic and everyday action plans,” says Polanco.

The webinar—originally a workshop sponsored by the Clark, Robin Hood and Tiger foundations—is accompanied by a host of tools, including a recession checklist, a list of questions to discuss with bankers and strategies for cutting costs.

The webinar is available on the Fiscal Management Associates Web site ([www.fma.online.net](http://www.fma.online.net)). The Nonprofit Finance Fund also offers a guide to navigating the recession on its Web site ([nonprofitfinancefund.org](http://nonprofitfinancefund.org)).

## **Tough Times Mean Belt Tightening for Youth Programs**

In spring 2009, Boys & Girls Clubs of Greater Washington, in Silver Spring, Md., was staring at a \$7 million deficit, declining membership and outdated facilities. To stay afloat, the organization began the arduous task of making cuts to staff, programs and services.

In the end, the group changed its business model so it could focus less on repairing roofs and more on serving young people. Clubs were closed, buildings sold and services moved into schools and recreation centers. The 100 programs the organization operated were trimmed to 25.

In addition, senior staff took 10 percent pay cuts, some employees were laid off and other staff took furloughs.

Like Washington's Boys & Girls Clubs, many youth-serving agencies are facing thorny decisions about what to cut when ends don't meet.

"What worked for us is that we always stayed mission-focused," says Leah Lamb, the clubs' chief development officer. "We put together a restructure plan that focuses on freeing up resources to reach more youth in the future."

In addition, the organization used the following principles to guide the process:

**Involve everyone.** "This was not a top-down process by any means," Lamb says. Staff from all over the organization were kept informed and allowed input. Clearly, morale is an issue, so making decisions inclusively is instrumental, she says.

**Check the balance sheet.** Financial statements not only help organizations decide which programs best fit their mission, they also serve as a crucial tool for communication with board members, staff and donors. Moreover, analyzing statements can give executives a clear sense of where costs are getting out of control and help organizations change their practices to meet emerging needs. Well-funded programs could be streamlined to make room for new programs. Or managers might determine the costs of running of a program are too great given its outcomes or the number of youth being served.

**Aim for measurable results.** Lamb says every cut made had to be justified in terms of the net effects it would have on the organization's mission and how many youth would be served. With the goal of striving for higher-quality programs, the groups' leaders devised a number of measures each program would have to meet to be retained.

**Avoid knee-jerk decision making.** Taking the long view helps leaders avoid succumbing to "the sky is falling" mentality and making cuts that will ultimately undermine the organization's future.

**At the same time, don't delay decisions.** It's easy to make the mistake of waiting for more information before making the difficult decision to slash a program. In a crisis, a group's leaders ultimately have to pick the best moment to *decide*.

**Keep an eye on the future.** A healthy nonprofit sets aside reserves, diversifies its funding sources and builds long-term relationships with community partners and donors. And from each crisis, it learns to operate more efficiently to be prepared for the next storm.

## **Fundraising 101**

## **Knowing Your Organization's Needs Key to Fundraising**

With rare exception, nonprofit organizations of all stripes have to raise money to keep their operations going and to fulfill their missions. But rather than build a strategy linked to their missions, many nonprofit leaders mistakenly see fundraising as an end in and of itself, says Justin Pollock, managing director of programs at the Maryland Association of Nonprofit Organizations.

“Oftentimes people will come in and kind of jump the gun, wanting to raise money before they’ve done their own needs assessment,” Pollock says. Taking stock of the resources a nonprofit needs to function effectively not only informs fundraising planning, he says, but also can strengthen the fundraiser’s pitch. You can say that \$1,000 will help start a much-needed GED program or pay for a new training program for volunteer mentors.

Pollock suggests taking the following steps to assess a charity’s needs and begin drafting a fundraising strategy:

**Start with your board.** It’s their responsibility to ensure your organization has the money, supplies, people and other resources it needs to fulfill its mission. For that reason, board members ideally should take the lead in identifying the charity’s needs and deciding how to meet them.

**Consider the three types of resources.** Every nonprofit needs goods, services and cash to run, Pollock says. Make a list of the things your program or organization requires. For instance, an after-school arts program would want to itemize what supplies, facilities, staff and insurance it needs and how much all of that will cost.

**Think about what you can get “in kind.”** There are a lot of things nonprofits might not have to pay for, if they get creative about it, Pollock says. For instance, that same after-school program could approach an art store about donating supplies, ask teachers or parents to volunteer and look for someone who wants to donate a used van to transport students to and from activities.

**Figure out how much cash you need.** Even with many generous in-kind donations, you’ll most likely need cash to pay salaries and utility bills and to fill up that van with gas. Simply put, Pollock says, “The gap between what you can get in kind and what you need is your fundraising goal.”

**Devise a strategy.** Think about who can help you, either as partners (volunteers, clients and board members who might tell your story, make connections or ask for contributions) or as funders (government agencies and local foundations, businesses and community members, including your board). Will individuals have an interest in your mission? (If your organization directly serves youth and families, the answer is likely yes.) In addition to raising money, are there ways the organization can earn income, such as charging sliding-scale membership fees or starting an odd-job service that employs clients? One fundraising pitfall to avoid, Pollock says, is relying on a sole source of funding, such as a single government or foundation grant that may run out.

## Diversify, Diversify, Diversify

When youth-serving organizations rely on just one source of funding, they can find themselves at risk during tough economic times. “An organization must diversify its funding streams in order to survive and thrive,” says Ann McCaw, principal consultant at One Bright Bird Consulting, which advises nonprofit organizations on fundraising. “No donor will be around forever.”

In addition, McCaw says, donors, whether foundation, government or individual, often put restrictions on how an organization spends its money. “The more different kinds of donors you have, the more flexibility you have in how you spend those precious dollars,” she says. “If one donor won't support advocacy or infrastructure, another kind of donor will.”

Seeking multiple sources of funding is a long-term strategy—not a quick fix in a difficult economy. “Relationships take time to build and tremendous energy to sustain,” McCaw says. “By carefully thinking through the most fruitful kinds of relationships for the organization as a whole, you will be growing the organization—maybe not in six months, but definitely over a year or two years or three.”

To get our readers started on the road to diversification, NCFY has put together a few tips:

- **Government funding** is a start—not an end—to meeting your program's needs. Triangulate funding from federal, state and local sources to stave off the effects of budget cuts. Most state budgets set aside funding specifically for programs serving youth outside of school including mentoring programs and those for runaway and homeless youth. Numerous cities, towns and counties do the same.
- **Private funding** includes donations from individuals and grants from foundations and corporations. Building strong long-term relationships is key to raising money from private sources. In addition, when thinking of how donors can help you, don't think merely of their pocket books, McCaw says. Consider, as well, the ways they might help you build your programs and your fund-raising strategy. “If you're providing job training skills to at-risk youth, is there a kind of business where you would like to place them?” she says. “Then work with those businesses on building program and on fundraising activities.” Some foundations offer technical assistance and training to their grantees; individual donors can be powerful spokespeople and volunteers for an organization.

What you can do:

- Determine your current funding mix from all sources.
- Consider the restrictions placed on each stream of funding.
- Consider how long each funding stream might last.
- Forecast where a gap might exist in the future.
- Create a strategic plan that joins your programmatic priorities and your fund-raising needs.

## Developing a Sustainability Plan

*Excerpted from Developing a Sustainability Plan by Ann C. Fitzgerald (Technical Assistance Piece for Abstinence Education Grantees, Pal-Tech, 2008)*

### **Step 1: Identify the Stakeholders**

Before beginning work on a sustainability plan, identify the board members, staff and volunteers who should be part of the process. Your plan will only be successful if it is implemented effectively. This will take the endorsement of key stakeholders in your organization.

In addition, the staff members who oversee your fundraising programs on a daily basis will have valuable insights regarding activities and resources. In the end, you want to achieve a plan that encapsulates the ideas and innovations of your entire team.

### **Step 2: Review Your Contributions History and Sources of Funding**

Look at the contributions your organization has received in the past and list the amounts and their source—government grants, individuals, corporations, foundations—and other income such as fees. Compile the data available since your organization’s founding or the earliest date for which you have information.

This will give you a historical perspective on your contributions to determine whether funding has changed over time.

	2007		2006		2005		etc
	Dollars	% of Total	Dollars	% of Total	Dollars	% of Total	
Government grants							
Individuals							
Corporations							
Foundations							
Other							
<b>Total</b>							

### ***Step 3: Review Your Fundraising Programs and Activities***

Which fundraising programs do you undertake to raise the funds listed in Step 2? What programs have you tried in the past but are no longer doing? List each program and then describe your level of activity and the amount of money you raise from each. See chart for examples.

<b>Program</b>	<b>Activities</b>	<b>Resources Used</b>	<b>Amount Raised</b>
Government grants	<ul style="list-style-type: none"><li>• Grant writing</li><li>• Reporting</li><li>• Meetings</li></ul>	<ul style="list-style-type: none"><li>• Grant writer</li><li>• Editor</li></ul>	\$3,000,000
Direct mail	<ul style="list-style-type: none"><li>• Solicitations</li><li>• E-mail campaigns</li><li>• Donor newsletter</li></ul>	<ul style="list-style-type: none"><li>• Direct mail vendor</li><li>• Printing</li><li>• Postage</li></ul>	\$25,000
Donor meetings			
Events			
Publications sales			
Etc			

### ***Step 4: Conduct a Self-Assessment Through a SWOT Analysis***

Strategic plans usually include a SWOT analysis. SWOT stands for strengths, weaknesses, opportunities and threats. This is a simple but powerful aid for focusing on feasible strategies to enhance your sustainability.

Furthermore, it will help you match your internal capabilities to the external environment. A SWOT analysis is divided into two sections: an internal analysis and an external analysis. For the internal analysis, you will examine strengths and weaknesses. The external analysis will include opportunities and threats. Each is defined below.

#### **Internal Analysis**

*Strengths:* Those things that your organization does well, or its distinctive competencies in the opinion of donors. For example, you may have a board that is highly engaged in fundraising or a successful program for securing government grants.

*Weaknesses:* The things that you do less well or that you have purposely limited. For example, you may not have diverse sources of revenue.

#### **External Analysis**

*Opportunities:* The outside opportunities that may create the possibility for improved performance. For example, new programs or legislation that support your work could offer opportunities for fundraising.

*Threats:* The external challenges that hinder the pursuit of your goals. These could include your competitors for fundraising dollars or the economic environment.

Below are some questions that may help you start this process:

- From whom do organizations that are similar to yours receive their funding? This may take a little research but you can find some of this information through the annual reports that groups release on their Web sites. If you have a relationship with staff at a similar organization, you may want to contact their development officer for advice. However, don't expect her to provide you with a list of her organization's donors.
- Have you considered whether private, grant-making foundations could provide support for your cause? There are over 100,000 foundations in America, which support myriad causes nationally and at state and local levels. You can determine whether opportunities exist for you by starting with the free resources at the Foundation Center (*foundationcenter.org*) or Charity Navigator (*www.charitynavigator.org*).
- Have you researched local and national corporations to ascertain which companies may be willing to support or sponsor your activities? A starting point for this research may be the free resources at the Grantsmanship Center (*www.tgci.com*) that provide lists of top corporate giving programs by state.
- Do you currently have individual supporters? If so, what about your mission or program motivates their giving? If you're not sure, you may want to conduct an informal survey by phone to ask them. This information could be helpful in identifying new individual donors as well. If you do not have individual donors, consider building a base of them through direct mail programs.
- Are you utilizing communication tools effectively to inform and inspire your supporters? Review all your vehicles, including newsletters, correspondence, e-mails and your Web site.
- Is your board of directors committed to expanding your fundraising activities? That is, are they willing to take a leadership role in this effort? Further discussion on board involvement and how to garner board members' support is later in this piece.
- What resources are available to you to expand your fundraising activities? If all of your funds are committed in government grants, then you may have to turn to your board or a special individual donor to secure funds to conduct more fundraising.

One way to complete this exercise is to create a grid like the one above to capture the SWOT analysis details.

<b>Internal to Organization</b>	
Strengths	Weaknesses

<b>External to Organization</b>	
Opportunities	Threats

### ***Step 5: Identify Critical Issues and Priorities***

By analyzing your organization's strengths and opportunities, you will gain a good idea of where to invest your time and resources in fundraising. Likewise, you should take particular note of the activities where an external threat is matched by a corresponding weakness. These would be activities to avoid or minimize. In addition, the conclusion of the SWOT process should help you identify critical issues in your organization.

You may determine that you need to expand your board of directors to increase their involvement and financial support. Or you may need to hire a fundraising consultant to help identify and build new programs to enhance your sustainability.

The next step is to create a list of these critical issues or priorities in general categories, which may include:

- Board development
- Fundraising programs (such as grant writing or direct mail)
- Communications (newsletters, Web site, e-mails, letters, etc.)
- Fundraising systems (donor database, filing, etc.)
- Staff resources

A critical issue under board development may be the need to expand your board of directors because you require representatives who have more expertise in fundraising or nonprofit management.

### ***Step 6: List Major Goals***

Under each critical issue identified in Step 5, establish a goal that is clear and measurable. For example, if you have determined that you need a more diverse board to contribute to your sustainability plan, the goal may be to expand the board from five to eight members.

As you complete this exercise, also take into account your organization's specific situation. Consider your current programs, audiences, funding needs and marketing plans, as well as your resources, including personnel. Some fundraising programs, such as direct mail, may require a significant investment in terms of money and staff time.

### ***Step 7: Create an Operating Plan With a Budget***

The final step is to put together an operating plan that lists specific actions, identifies who is responsible, and establishes deadlines. The operating plan for expanding the board could look like this:

**Critical Issue:** The board of directors has only five members and none have experience with fundraising.

**Goal:** Expand the board of directors from five to eight members with an emphasis on finding members who can contribute to fundraising activities.

<b>Action</b>	<b>Who</b>	<b>Deadline</b>	<b>Status as of [date]</b>
Discuss with board chairman to get approval	President	March 1	
Establish a nominating committee of the board	Chairman	March 15	
Work with current board members to identify five or more individuals to approach for board membership	All	March 15	
Schedule meetings with potential board members	President/ Chairman	April 30	
Invite three new individuals to join board	Chairman	May 15	

Some of the goals and actions will require financial resources. If that is the case, then include a section to identify resources:

<b>Resource</b>	<b>Dollar Amount</b>
Outside consultants	
Equipment	
Personnel	
Facilities	

Once your plan is drafted, make sure it does not sit on a shelf. Establish regular intervals—quarterly at least—for staff to provide updates on their goals and activities. As you begin tracking your results, you may find that you need to add, update, or eliminate certain activities.

## Test Your Knowledge of Fundraising Terms: A Quiz

1. Your organization receives a gift of \$50,000 from a local philanthropist. The donor wants the gift to go into an **endowment** for your afterschool program. How much of the money can you spend?

- a) all of it
- b) half of it
- c) none of it

2. Which of the following are examples of a **private foundation**?

- a) Pew Charitable Trusts
- b) Wal-Mart Foundation
- c) Paul G. Allen Family Foundations

3. Which of the following are examples of a **public foundation**?

- a) New York Women's Foundation
- b) Cleveland Foundation
- c) American Indian College Fund

4. You've applied for a grant from a well-known foundation, and a program officer informs you that you have not qualified. However, the foundation would like to offer you a **challenge grant** instead. What's that?

- a) A grant you win by arm wrestling with the foundation president
- b) A grant you win by arm wrestling with an applicant from another nonprofit organization
- c) A grant that is made only if you are able to raise a certain amount of money from additional sources within a specified period of time

5. You've been told your organization relies too much on government funding, so you hire a full-time staff member to raise money from other sources. The fundraiser says you need to focus on asking donors for **unrestricted gifts**. What does she mean by that?

- a) Blank checks
- b) Cash donations that are not earmarked for a particular use

6. You're lucky enough to have a grant writer on staff, but you can't understand him half the time. He keeps mentioning **RFPs** and **LOIs**. What's he talking about?

- a) Realistic funding priorities and lack of insurance
- b) Two local bands called Rockin' Fuschia Pants and Loud Octopus Instrumentals
- c) Requests for proposals and letters of inquiry

7. You're starting a nonprofit tutoring program in collaboration with a local school district, but you haven't yet acquired official tax-exempt, nonprofit status. To apply for a foundation or government grant, you will need one of the following:

- a) A patron
- b) A fiscal sponsor
- c) A corporate sponsor

8. A local music store lets you use its back room for a youth group meeting. The owner wants to know if loaning you the space might qualify his business for a tax deduction. What do you tell him?

- a) Yes. It's an in-kind donation.
- b) No. It's just a favor between friends.

For definitions of additional terms, see the very comprehensive AFP Fundraising Dictionary, developed by the Association of Fundraising Professionals.

Answers: 1, C; 2, A-C; 3, A-C; 4, C; 5, B; 6, C; 7, B; 8, A.

## **Finding Grants and Writing Proposals**

## Ten Ways to Find Foundation Funding

Before youth-serving organizations apply for funding, they have to pinpoint likely donors. How to do that with no fundraising staff and barely enough time to get your to-do list done each day?

We turned to Helen Brown, president of The Helen Brown Group, a Boston-area consulting company specializing in fund-raising research, and to NCFY's own youth policy researchers. They had the following tips for readers setting out to identify promising foundations:

- 1. Be focused.** Be clear about your specific financial needs and identify programs that are most likely to be fundable (based on their success rates, the unique populations they serve and so forth). Don't chase after funds that take you away from your core mission (for instance, providing emergency shelter when your mission is to teach nutrition). But do think outside the box a bit—if you run a basketball program, could you use a grant for computers or for training volunteers?
- 2. Consult your board.** Talk to your board and find out if they have any connections with foundation funders, even if that foundation's guidelines don't match the type of program you seek to fund. "You may discover hidden funding sources or a chance to speak with a foundation officer," Brown says.
- 3. Check out your "competition."** Which foundations have funded *them*? You may be able to develop a good list of foundation candidates by noticing the funders that support similar organizations in your geographic and program area.
- 4. Go to the library.** Besides offering libraries at its five locations, the Foundation Center ([www.foundationcenter.org](http://www.foundationcenter.org)) cooperates with local libraries and nonprofit resource centers nationwide to provide reference materials, training courses and networking opportunities.
- 5. Hop on the Internet.** Many foundation directories can be accessed online. The Foundation Center and GuideStar ([www2.guidestar.org](http://www2.guidestar.org)) both have free and paid searching options.
- 6. Get training.** Look for free or low cost training in your community or online. The Foundation Center offers a wide variety of free and low-cost Web seminars including Grantseeking Basics for Nonprofit Organizations and Getting Ready for Foundation Fundraising.
- 7. Consider asking for help.** An experienced volunteer or research consultant can save you a lot of time. "While paying someone to do the work may seem expensive, their experience can hone in on the right funders, eliminate ones that just aren't right and eloquently make your case in a proposal in language the funders need to hear," Brown says. Make sure you hire someone who has a proven track record of success and knows your particular funding market.
- 8. Start local.** Local funders are more likely than, say, the Gates Foundation, to make grants to groups that serve a specific community. Once nonprofit groups have local individual, company and foundation support, then they can make a much stronger case to national funders, Brown says. "Of course, the national funders will want to see how the program or service can have an impact or be replicated nationally."

**9. Go corporate.** Look for corporate foundations that might be interested in reaching the populations you serve and pitch your funding ideas as “cause-related marketing.” For instance, you might ask a soft-drink manufacturer or a local grocery store to sponsor a talent show or fund-raising gala in return for advertising at the event.

**10. Network.** Once you’ve identified potential foundations to which to apply for funding, ask for informational interviews or attend attending public forums hosted by foundations in your area. Meeting grant officers in person will help you gather information about what foundations look for in organizations that they fund. Brown notes an added bonus: “As with any profession, foundation officers network, too, and tell each other about interesting programs.”

## **Going After Grants—Are the Time and Effort Always Worth It?**

Nothing in life is free, and that holds true for grants. When deciding whether or not to seek funding from a foundation, government agency or corporation, busy youth-service professionals need to weigh the costs and benefits of writing the grant proposal, managing the project and reporting back to the funder, says John Porter, executive director of the American Grant Writers' Association.

In fact, putting together a grant proposal might not be worth the time and effort if the award is small and the grant maker requires a lot of documentation. “Estimate the man hours to both write and administer the grant,” Porter says. “In a few cases, the hourly wage may actually exceed the amount of the award.”

When considering whether or not to go after a grant, take the following steps:

**Read the grant announcement or RFP (request for proposal) closely to learn what is expected of groups that will receive the grant.** “The best place to find funders' RFPs is the Foundation Center Directory,” Porter says. The directory is available for free in a number of locations across the country. In addition, he says, “Nearly every local library will have at least a few other sources of local funding in print form.”

**Determine if your organization and your clients (who will receive the services made possible by the grant funding) are eligible.** “Even though one could argue that all youth are deserving, the RFP may stipulate that only a certain sector of youth are eligible for a particular award,” Porter explains. “This group might be identified by income, at-risk, health, school district, etc.”

**Ask yourself the following questions:**

- Is your organization ready to receive grant funding? In other words, do you have the people, connections and expertise to do the work a grant maker will ask of you?
- Do the purpose, activities and goals of the grant fit your mission?
- Will you be able to keep the project going after the grant runs out? If so, how?

## Get Everyone in on Grant Writing

In these tough economic times, hiring a full-time grant writer or using a consultant may not make the most financial sense. As an alternative, small nonprofits can tap into the talents of their staff to put together grant proposals.

“What you ultimately want is to use your staff’s greatest strengths,” says Kristen Valentine, chief fundraiser for Bread for the City, a social service agency in Washington. “You want to find out what people do well and have them do it.”

Following are some tips she offered on training staff to write grant proposals.

**Assess the staff.** Who are the best communicators, organizers, strategic thinkers? Who’s good with graphics? These individuals should be on your grant-writing team.

**Assemble a grant-writing team.** Appoint a single point person to manage the project, set deadlines, create the file system and marshal team members along. Assign writers to support the point person. Rotate team members for each grant proposal to avoid burnout and to give various staff members the opportunity to develop grant-writing skills.

**Host a training.** At an all-hands staff meeting, teach the basics of proposal writing and give staff an idea of the types of grants your organization will seek. Here are four important themes to cover:

1. Measurable outcomes rule. Don’t try to measure things that are too hard to measure, says Valentine. If it will take years to reach goal, or a goal is hard to quantify, start with smaller, identifiable things such the number of meetings or communications.
2. Sound financial statements that can back up your program are critical. Smaller programs have trouble with this, but plan ahead so that the person who will be doing the back-end reporting is the one putting together the statements in the proposal. “Foundations are poring through these sections more, and there’s much more of a push toward transparency than ever before,” says Valentine.
3. Brevity and bullets ensure your proposal gets read. Funders read hundreds of proposals each day. You’ll do well to teach staff to make their points in short, clean, jargon-free language and to visually convey as much information as possible. Valentine says to use logic models, graphs and bullets points. “Cut back on adjectives and stop congratulating yourself so much,” she says. “If you can say it in 10 words, use 10 words.”
4. Translate the mission. A crucial part of the writing will be aligning the program’s mission with the requirements of the grant. Foundations are giving away mostly targeted dollars, says Valentine. The writers will need to be coached to talk with program managers and work out creative ways to explain how your nonprofit will fulfill the requirements of the grant.

## **The Secret Life of Foundation Officers**

*As Told by Lee Draper*

To gain insight into the process of seeking foundation grants, NCFY sat down with Lee Draper, a management consultant who works with grant makers and nonprofit agencies. Draper has 25 years' experience working with and for philanthropic organizations. In the following interview, she provides FYSB grantees with tips on how to best approach private funders.

**NCFY:** We'd like to make our grantees more familiar with private foundations. Can you start by talking about who is a foundation officer? What kind of background do they have? Are they real people? What do they do every day?

**LD:** The program officers, program directors, executive directors and trustees of foundations are real people. And most of them have gone into this kind of work because they care about the mission of their foundation, and those missions are much akin to the kind of mission statements that nonprofit organizations have, really focused on trying to help people.

The second thing is, they are like nonprofit leaders; they are many times overworked. Because the competition is increasingly rough, and many more nonprofits are applying, program officers and executive directors of foundations are sitting at desks with huge piles of proposals in front of them. They don't have much time to read them. They don't have much time to talk with people who are submitting them. And they don't have much time at all to get out there and actually see the nonprofits work. And that is as sad to them ultimately as it is to the nonprofit. So, one of the really important rules for the grant seeker is to know that the person behind the desk is a human being who—if you've done your homework right and you've identified a foundation that has a program interest like your nonprofit—cares about the same thing.

The thing about them being overworked is you have to prepare yourself as a grantee to be concise and to be clear with what you want. A lot of times, a new grant seeker will think that they need to tell the possible funder everything about their organization in order to prove that it is a good and worthy organization. Instead, you really have to think, how can I, in five or six sentences, say a good overview of what we do, who we serve, how long we've been doing it and what our impact is?

**NCFY:** Stepping back a little bit, before people even start crafting those five to six sentences, what do they need to think about as they are designing a program to make it interesting to a foundation?

**LD:** The first thing is to really know what you need and identify that before you even go out to find potential funders. The wonderful thing about the funding community is that there are all kinds of funders. If you need transitional housing, or if you need programs that serve homeless youth with mental-health counseling and life-skills building, say that and don't waver.

Don't run after any funder that comes across your radar screen and try to bend yourself into a pretzel. So that's the first thing: What do you need? The second thing is how much does it cost bare bones? Not pie in the sky, but how much do you really need, bare bones, to make something meaningful happen? And it's better to find three to five funders who could bite off a part of that rather than going to one funder and asking them for the whole thing.

**NCFY:** Do you tell the funders that you're dividing it up in that way?

**LD:** Absolutely. Because if I'm Funder A, and I know that you're asking me for a third or half the money, and I know that you're going to three or four more funders to make up the rest of that money, I know right then that you're not going to be dependent on me. I also know that you've done your homework, because I know some of those funders, and I know that they're good, strong, potential ones. And thirdly, if I like what you're doing, I might even give a call—and you'll never even know about it—to one of those other funders and say, "Listen, I'm thinking about doing half. Will you do the other?" So they'll actually think you're really entrepreneurial and smart.

**NCFY:** What are other ways that you can distinguish yourself in that huge pile of proposals beyond having your five- or six-sentence concise synopsis? For example, does good writing matter?

**LD:** Well, here are a few things about the writing. First, put the request in the first paragraph. A common mistake is for a grant seeker to put it at the very end or to not say it at all and just say, "Could you fund this?"

Number two, think of how much you want to ask them for. You don't want to ask for something outlandish. So, do your homework. Find out what size of grants they make to organizations that are like yours.

The third thing about putting the money right up front is it makes you proud. Because when you say that right off the bat, the rest of the proposal is going to be reinforcing your request. And you're going to do that with a lot more confidence than if you put it at the end and are trying to lead up to it.

The next thing about writing is proof it. Have somebody else read it over before you send it out, maybe even a friend or a family member in addition to a staff member at the organization. Because they will be able to read it with an eye to whether it makes sense to a layperson. Many of the people who read these proposals are generalists, not experts.

Proofing it is really important. Because many grant makers will tell you that they will automatically decline a proposal that has misspellings or grammatical or punctuation errors. Because that says you don't know what you're doing.

**NCFY:** You mentioned a couple of common mistakes. What other things are cringeworthy, things you recommend people never say?

**LD:** There are certain words that grant makers cringe at. And many of them are about over-promising. "We are unique. We are the best. We are the only." Watch out for that. That shows you don't know your own field. Because they are likely to read proposals from other organizations that may be quite similar and just as good. It's just as good to say "high quality" as it is to say "the best." Or to say a "special approach" rather than saying a "unique approach."

Another thing about the written request is, follow their guidelines. Do not, do not, do not send out 80 proposals to a list of 80 funders you've gotten somewhere. Because then you will get 80 declines. And you will create a bad relationship with 80 funders who think you are rude to not have done any homework. So put a little extra time into looking at Web sites, into going to your local library for research tools and funder directories that can help you know the funder.

Many foundations have Web sites now and their application guidelines are online. Follow those to a T. And their tax returns are on Guidestar.org. A foundation is required to give a list of the organizations they

have funded on their tax returns. Most often, they give not only the organization name, but the amount of the grant and what it was for. So do that homework.

**NCFY:** Is there room for an applicant to call a foundation official and ask questions or follow up if they haven't been funded to find out what went wrong?

**LD:** Absolutely. In fact, remember, these are people. And these people get just as tired as any of us of dealing with paper all day. It is always good before you submit a request, but after you've done your homework, to call a funder and ask if the kind of request you are making is appropriate.

And that's when your little five-sentence thing on what you do, followed by "and we are wanting to apply for this amount, for this purpose" will come in really handy. So, preparing yourself for a 3- to 5-minute conversation with a program officer before you submit is a wonderful way of creating a relationship and getting valuable feedback. And if you don't get funded, do call in and ask about that. Say that you're learning and you want to find out how you can improve your request in the future.

**NCFY:** How data-heavy do proposals need to be? Do you have to have a lot of supporting data and facts about your community or the population you're serving?

**LD:** That depends on the funder, period. The application guidelines will generally say what kind of data they want. Some of them might say, "Please describe the population you serve" or, "Please provide evaluation results."

**NCFY:** Where is the best place for a grantee to start a funding search?

**LD:** When they're thinking about potential funders, they should think of themselves in the middle of an onion. And around them are the rings of the onion. The first funders that they should target should be local, then regional, then state, then national. Do not go to the big foundations that are national first, even though they have a lot of money. Start local. And that means a local community foundation, local family foundation, local corporations or businesses that are active. Go local because local people can make site visits. Local people know the problems and issues of the community they're living in, too. And they're usually much more accessible and don't have so many piles.

**NCFY:** Is it worth trying national foundations?

**LD:** For a small community-based organization, unless you have garnered local support from foundations that are close by you, your chances will be very reduced. Because they want to see that foundations in your neighborhood who are close to you and who can actually go out there and visit you have invested in you. It's a rare example that a national funder would support an organization that didn't have local funder support.

**NCFY:** What about a grantee who is just starting out? Is there room for someone who doesn't have the "how long have we been doing it?" part of the five-sentence summary?

**LD:** There is. Here's where you need to read the guidelines. Many foundations will not support organizations until they've been up and running for 2 or 3 years. But some funders are open to newer organizations.

**NCFY:** Often, when you look at a foundation's priority list, it is really vague, like "we fund youth development projects." Does that mean, if you craft something that fits into that really broad category, it will be of interest to them?

**LD:** That's why you want to use multiple sources of research. Because if you go to the Web site alone or get their brochure or something like that, they might say, "We fund youth services." And you think, "Oh, goodie! They'll fund our community-based homeless youth program." But then you go to Guidestar and you print off the list of who they funded. And their grants list is all grants to the YMCA, Girls and Boys Club, the United Way and the Metropolitan Museum. If they aren't funding any small or mid-size organizations, don't waste your time. Who are you to convince them? Because the next one you look at, chances are they'll be funding homeless shelters and community-based efforts, and you'll go, "Okay, here we go. We've found a friend."

**NCFY:** Where do you see the future of funding? Do you sense that human services funding is increasing, decreasing?

**LD:** In the future, of course there is going to be dynamic change. But who can predict this? The main thing is, Americans are extremely generous people. And foundations are there to fulfill their mission, which is to serve the nonprofit community and the people that the nonprofit community serves. So that's not going away. The thing is that more and more people are competing for that money, so you have to be smarter at it.

**NCFY:** Do you think it makes sense for people to have a dedicated grant writer? Is it possible to do your grant writing in house and do a good job of it?

**LD:** I think you can do it in house. You can have a part-time or a full-time staff person doing it. You can also hire consultants or contract workers to do it. It really depends on what your resources are. You may have staff stretched thin. Then it's good to hire a consultant. If you are just getting started and you have a big learning curve, a consultant can help you avoid the trial and error. Many consultants will do it with you and teach you how to do it, which can be a good way of starting so that you don't spend a lot of time and get frustrated and not get any return.

There are also lots of workshops and classes. Look for ones that are longer than a day. It's better to go to the workshops and classes that last multiple days, even though they might be more expensive, because they go deeper.

One other thing is, when you're successful, write a thank-you note within 2 or 3 days. The number of nonprofits that do not thank their funders is very high. And what does that say to the donor? That says you are ungrateful. When you send a thank-you note, it makes the funder feel appreciated. They feel you care. And they will be receptive the next time you come with a new proposal. I cannot tell you how frequently I hear my colleagues who are grant makers say, "A third to half of our grantees never send a thank-you note. And they think that we're going to fund them next year. Ha, ha, ha." So that gets back to the fact that those are people behind the desk. And when they have helped you, it's important to remember to thank them.

## **Beyond Grant Writing: Other Fundraising Strategies**

## **In-Kind Donations Provide Much-Needed Resources in a Cash-Strapped Economy**

Lots of well-meaning folks—and businesses too—want to “give back.” But in these tough economic times, budgets may be feeling the squeeze. That’s why some prospective donors may be better equipped to provide “in-kind” support, rather than cash donations.

In-kind donations are a kind of charitable giving in which, instead of giving money to buy needed goods and services, people (or businesses) donate the goods and services themselves. Items could be things a program uses, like a refrigerator, computers, furniture for residential facilities, food, or clothing for young people. Or the donor could give something the program could use to raise money, like concert tickets or auction items.

In-kind giving offers businesses and individuals the opportunity to help programs focus their primary sources of funding – and attention – on the youth they serve.

NCFY spoke with fundraisers from two FYSB grantee organizations to get their advice about soliciting in-kind donations. Here’s what they told us:

**Make a list.** A “must have” for any organization seeking in-kind donations is a current – and very visible – “wish list,” says Heather Rist, development coordinator at Avenues for Homeless Youth in Minneapolis, Minn.

Rist suggests including the wish list in every newsletter (online and in print), displaying it on the agency’s Web site and having copies on hand at the organization and community events.

Think creatively when you’re putting the list together. For instance, Rist worked with a local real estate agency to help landscape Avenues’ housing facility one summer. Edina Realty bought everything needed—shrubs, mulch, weed killer—and volunteers from the company worked together with the youth to beautify the outside of their home.

**Decide who to ask.** Start with people and businesses that are already invested in or connected to your organization. “You can do the cold call approach. But it’s ideal to get your board or [fundraising] committee to figure out who they know,” says Rebecca Johnson, development manager at Family Support Services of the Bay Area, a mentoring children of prisoners program in Oakland, Calif.

**Ask for the things you need.** Once you have your wish list and your list of contacts, your board or committee members can go down the list of potential donors and spread the word about your organization’s need for specific items, Johnson says.

You can also approach prospective givers yourself. You might set up a time to talk on the phone with a person from a business you know, or invite them over for a site visit, Rist says. Describe the needs they could help meet. Be very clear. Tell the business exactly what you are looking for and how they can help.

If you are approaching a business your organization has no connection to, Rist suggests finding a “hook.” For example, ask a local dental office to donate toothpaste and toothbrushes, or ask a local salon to cut client’s hair one day a month.

Larger corporations and foundations usually require applications for in-kind donations. If you can't find the information you're looking for online, contact the corporation's community relations department and ask them how to make a formal request.

Many schools and faith-based organizations also want to get involved in community service. Ask them to do a drive for your organization, like a food drive, hygiene products drive, or school supply drive at back-to-school time.

**Create policies to avoid getting stuck with items you just can't use.** Even after putting together a specific wish list and being clear about guidelines for donating items, programs inevitably receive items they don't need. Rist suggests listing a contact person for questions about in-kind donations and insisting that donations are approved before they are dropped off. To facilitate approval, schedule a drop-off time and have someone responsible for checking all donated items.

**Thank your donors.** Recognize every in-kind donation as you would a cash donation. (In fact, Rist says, always thank donors for thinking of your organization, even for items you can't take.)

Publicly thank individuals and businesses in your newsletters, on your Web site and in the agency's annual report. Include a business's logo for extra recognition. Also, be sure to write a more personal thank you letter to acknowledge the gift. Describe who received the donations, how the contributions were used and how people benefitted. Donors will feel appreciated, and the letter has a practical purpose, too, serving as a receipt at tax time.

### **Resources**

Organizations like Gifts In Kind International ([www.giftsinkind.org](http://www.giftsinkind.org)) and GlobalHand ([www.globalhand.org](http://www.globalhand.org)) help match people who have things to donate to qualified charities who need them. Register with these organizations to take part.

## **Wish List for In-Kind Donations**

### **Typical in-kind donations might include:**

#### Individual Needs

- Socks and underwear
- Shoes, hats, coats, jeans
- Dress clothes for interviews
- Towels, washcloths
- Alarm clocks, watches
- Personal supplies, like toothbrushes, toothpaste, razors, lip balm, hair products, shampoo, conditioner, deodorant (women's and men's), combs/brushes
- Umbrellas
- Backpacks for school

#### Program/Building Needs

- Dry erase board
- Office folders
- Paper, office supplies
- Dish towels and scrubbers
- Non-breakable drinking cups
- Comfortable kitchen chairs
- Vacuums
- Irons and ironing boards
- Pots and pans
- Cooking utensils
- Laundry baskets

#### Arts and Crafts

- Easels
- Paint
- Sculpting clay
- Quilting materials
- Beading supplies
- Art paper, poster board
- Craft supplies, fabric
- Sewing machine
- Art brushes, art pencils, markers, chalk

#### Recreation

- Board games
- Books
- DVDs, CDs, music equipment

**And some in-kind donations you may not have thought to ask for:**

- Computer services or support
- Advertising or graphic design services
- Consulting services
- Public relations services
- Legal services
- Coupons
- Furniture or appliances
- Movie, event or concert tickets
- Vehicles
- Event management or event room space for functions
- Airlines miles, hotel stays or travel packages to be used as auction items

## **Ten Rules of Events Fundraising**

Ever considered hosting a charitable event to raise money for your youth service organization? It sounds simple: Charge people \$75 a head to come to a great party (even more for a fancy gala), or host a walkathon and ask participants to contribute to your cause. Wind up with a ton of cash, good word of mouth, new supporters and a spot on the evenings news.

But veterans of events fundraising say it's not as easy as it sounds. Special events, they say, take careful planning, attention to detail, months of staff and volunteer time and, especially, an eye on the bottom line.

Add to that the fact that special events may not be the best way to raise a buck. In a 2007 study on events fundraising, charity watchdog Charity Navigator called events "an extremely inefficient way of raising contributions."

Still, a number of the nonprofit groups studied by Charity Navigator have disputed the report's methodology, and the report's authors themselves acknowledge the difficult-to-measure benefits of special events. These include boosting publicity, raising awareness of a cause and gaining potential new donors. The fact remains that many nonprofits think the monetary and nonmonetary benefits of events are worth the hassle.

With the assistance of two FYSB grantees and a regional youth service network, we've compiled the following ten rules to help you make the most of your special event.

### **No. 1: Ask if your organization is really ready for events**

Events fundraising is not a good fit for every organization. If you have a small staff and have not developed a strong corps of volunteers, it may be better to find other ways to raise money.

"It takes a lot of time to do event fundraising," says Jim McWeeney, resources coordinator at Iowa Homeless Youth Centers, a Runaway and Homeless Youth Program grantee in Des Moines. "It takes less time to write grants or to raise funds from individuals."

If you do choose to plan a charitable event, he says, make sure it fits into your overall fundraising strategy. His organization's annual Reggie's Sleepout fundraiser—in which participants spend the night outdoors to raise money for homeless youth programs—is an adjunct to an annual fund campaign and a United Way campaign.

"Some people look at events fundraising as a cash cow," he says. "But if they don't fit it into their overall fundraising context, that cash cow can be a big old black hole that drains time and money."

### **No. 2: Set goals**

When planning an event, says Rebecca Johnson, development manager at Family Support Services of the Bay Area, a Mentoring Children of Prisoners Program grantee in Oakland, California, "Ask yourself, 'What are your goals?' Then make the event meet those goals."

For instance, in addition to deciding on the amount of money you want to raise, you might aim to have a certain number of people attend, to build relationships with specific corporate sponsors or community leaders, or to gain media coverage, she says.

Once you've set goals, it's easier to know what tasks need to go into planning the event, Johnson explains. Each task should get you closer to your targets. If your main objective is to raise X number of dollars, but media coverage is not a priority this year, work hard to publicize the event to potential attendees, but don't waste time sending out press releases.

In the case of an annual event, adjust your expectations gradually each year and make sure you choose achievable goals. For its annual sleepout, Iowa Homeless Youth Centers sets a target for the number of people who sign up for rather than attend the event. McWeeny figures it's just as important for people to hear about and respond to the cause as to show up. Plus, he considers sign-ups a better measure of how well the event was marketed, because attendance can be affected by things out of an event planner's control. (See rule No. 8.)

### **No. 3: Don't lose sight of your mission and your message**

McWeeny says his organization had experimented with different traditional fundraising events to varying degrees of success. But when his board heard about the sleep-out concept, they jumped at the idea.

"It inherently displays our mission," McWeeny says. Even the vagaries of Iowa's fall weather help the cause. When snow fell during the 2006 sleep-out, "It added to the message," he says. "We were whining and complaining about one night—but boy am I glad I don't have to do that every night."

Johnson advises event planners to take pains to make sure the message they want to convey doesn't get lost in the fun of the event. "Clarify your message so it gets repeated over the course of the evening: What's in it for donors and what are they getting back by giving to the program?" she says. "You want to ensure that it doesn't just turn into a big party with a lot of people talking without context."

It's more effective, she adds, to tell a story rather than give a rote recitation of your mission or a lengthy explanation of what your program does. For instance, at an afternoon concert that raised money for her organization's mentoring children of prisoners program, one of the musicians wove into the songs a poem about his own experience of having an incarcerated parent. His story drew people in and made the event one to remember, Johnson says.

Another way to get a strong message across is to feature your organization's leaders prominently. When supporters of the New England Network for Child, Youth & Family Services jump into the frigid, winter waters of the Atlantic to raise money for homeless youth in the annual Polar Bear Plunge, the network's swim suit-clad executive director is at their sides.

### **No. 4: Know your audience**

Ask yourself who your main constituents are and whom you're trying to reach. Are they people who'd enjoy an afternoon jazz concert or a formal evening dinner? Or are they crazy folks willing to plunge into the Atlantic in February or sleep out in a snow storm? Would they be willing to pay big bucks for a meal, or would they be more willing to raise money from friends and family?

Look back to your goals, too. Want to reach the media? A sleep out, polar bear plunge, or walkathon could get you publicity, but a standard dinner and auction likely won't, unless you have a famous keynote speaker or entertainer. Want to appeal to corporate funders? Think about the kind of audience they would want to attract.

## **No. 5: Plan for efficiency**

A successful event is all in the planning, Johnson and McWeeny say. With so many tasks to accomplish—from marketing to soliciting corporate sponsorships and in-kind donations, from securing a location to the logistics of the event itself, from designing invitations to writing thank you notes—events take a massive time commitment.

Badly planned events can hinder, rather than aid, the organization’s mission and fundraising. “If you don’t plan carefully, you’re taking people away from providing direct services, and that’s not acceptable,” McWeeny says. “And if you’re taking people away from more efficient ways of fundraising, that’s not acceptable either.”

To maximize the value of the time and money you spend—and to keep from overspending on things you don’t need—Johnson says to think about how you can run the event most efficiently. “Don’t include too many things,” she says. “Events always go longer than you think.” And little details that seem to matter when you plan them may go completely unnoticed by your guests.

But do pay attention to the things that will make the experience better for attendees. If your onsite registration goes smoothly, guests will come again next year. If they have to wait in line, they might not come back.

## **No. 6: Divide and conquer**

Johnson estimates that she spends most of the 3 months leading up to her organization’s annual event, well, planning the event. “Which, if you think about it, is a quarter of the year,” she says.

Giving up that amount of staff time to event planning is unthinkable if you don’t have a dedicated fundraising staff. And even if you do, planning a major event can sidetrack them from their other fundraising duties, Johnson says.

Splitting duties up among staff, volunteers and board members can make planning go a lot more smoothly, as long as there is regular communication among them. Johnson and McWeeny recommend having an event planning committee or tasking your board with planning the event. Select committee members who can contribute expertise, connections, or visibility: graphic or Web designers, people with past event planning experience, community leaders, local business people, or members of the media. You’ll also want a balance of people with good strategic ideas and those willing to roll up their sleeves and help as much as they can.

Beyond your committee, recruit volunteers to help with office work, stuffing envelopes and making phone calls. On the day of the event, task volunteers with staffing your registration table, giving directions and helping to set up and clean up.

## **No. 7: Don’t plan an event on Super Bowl Sunday**

In 2007, the New England Network accidentally planned its Polar Bear Plunge on Super Bowl Sunday. The event’s earnings dropped \$10,000 from the previous year’s high of \$45,000, says Cindy Wilson, the network’s director of training.

Wilson advises checking your calendar for holidays, large local festivals or conferences and other events that might clash with your own.

### **No. 8: Consider the weather**

Yes, the weather is unpredictable. If you're planning an outdoor event, have a rain or snow date. Even an indoor event can be affected by the weather. If it's raining cats and dogs outside, people might decide not to come.

And good weather is something to be prepared for, too, because it can boost attendance past your expectations. Even with snowy conditions, the 2006 Reggie's Sleepout had more than 100 walk-on participants.

### **No. 9: Rely on sponsors and in-kind donations**

A good way to avoid the high costs of planning an event are to beg, borrow and—well, don't steal. But you can get a lot of things for free or at low cost: food, goody bags and door prizes, auction items, ad space, invitations and programs, speakers' and entertainers' fees, and venue costs. A committed corporate or individual sponsor might even be willing to cover all or most of your administrative costs for the event.

To solicit sponsorships and in-kind donations, Johnson says, "You can do the cold call approach. But it's ideal to get your board or committee to figure out who they know."

### **No. 10: Let sponsors, volunteers and participants know how grateful you are**

McWeeny admits that one of his missteps as a novice event planner was not paying enough attention to sponsors. "You really have to look after sponsors and you have to treat them special if you want them to remain involved after the event's over," he says.

He suggests involving sponsors in marketing design and logo placement and "acknowledging the heck out of them." That means mentioning them prominently in invitations, programs and announcements and giving them a moment on the stage, if possible.

By the same token, don't ignore the hardworking volunteers and supportive participants who helped make your charitable event a success. Thank them as many ways as you can. Without them, your event would be a nonevent.

## **Is Your Nonprofit Ready to Raise Money From Individual Donors?**

Foundation and government grants don't last forever. They often require strict reporting back to the granting organization. And grants can only be used for a particular purpose, leaving organizations strapped when emergency cash is needed.

Those are just a few of the reasons nonprofit groups might want to seek gifts from individual donors, says Patricia Hung, executive director of the Grassroots Institute for Fundraising Training in Oakland, Calif.

There are "people reasons," too, she says. "Grassroots fundraising gives the community a chance to get involved with the organization."

To determine whether raising money from individual donors is right for them, charities need to ask a few basic questions, Hung says:

**Do we have a clear and inspiring mission?** If your goal is to help youth and families, and you do it effectively, the answer is most likely yes.

**Do we have a "base" of constituents?** Hung defines constituents as "a group of people you regularly work with" such as clients (youth and families), volunteers, or neighbors. Even if you serve an impoverished area, having genuine relationships with people in the community makes fundraising easier, Hung says. "They won't necessarily be your major donors, but they can help you tell your story or raise money." Potential donors respond well when they hear from someone who has been positively affected by your organization, she adds.

**Do we have an infrastructure that will support our fundraising efforts?** Hung says groups should have the following:

- A database to input who made a donation, how much they gave and their contact information. An Excel file will work to start, but for the long term, consider investing in fundraising software, she says. (Learn about inexpensive donor databases by visiting [www.techSoup.org](http://www.techSoup.org).)
- Staff and volunteer time to solicit donations, thank people and do other follow-up
- A fundraising strategy that includes a basic plan about how much money you aim to raise from how many donors, a timeline and a budget.

**Do we have support from people throughout our organization?** Hung recommends that there be someone on staff willing to coordinate the fundraising effort and that the group's leaders, including board members and the executive director, be willing to pitch in.

Once you've determined that you're ready to raise money from individuals, Hung says your work will be easier if you integrate your fundraising into the work of your mission from the get-go.

"Fundraising feels more onerous when it's a separate action that has to be managed," she says. For instance, rather than planning a separate event for donors, invite them to an end-of-the-year party for clients or to a talent or fashion show. Not only will you avoid the costs of another party, but donors will get to see how their contributions are being put to work.

## Squeeze Thy Neighbors

You're between federal grants. You need a new van. The roof is leaking. Cultivating private donors is an excellent way to create some financial flexibility for your organization in both good and bad times. Remember, 70 percent of Americans give to nonprofit organizations each year, and they give big: The median is \$2,000.

For some advice on how to expand your private donor base, NCFY spoke to fundraising consultant Andy Robinson and to Chris Baca and Tricia Hiser of Youth Development, Inc., or YDI, a runaway and homeless youth program in Albuquerque, N.M.

**Be patient.** When YDI began working to expand their donor base, they developed a 5-year plan that only really started paying off in the third year. "Perseverance pays huge dividends," Baca says. "You're in it for the long haul."

**Make fundraising part of your culture.** The most effective organizations encourage all of their employees to fundraise. "People have this fake barrier in their brain where the program work is on one side and the fundraising is on the other," Robinson said. He says that while CEOs or executive directors should devote at least 30 to 50 percent of their time to raising money, everybody in the organization should be pitching in. Ask board members, for example, to make a donation as part of their board service, or ask them to raise money from folks they know.

**Start small.** To build confidence, consider a small, short-term fundraising drive. Dedicate six weeks to raising \$1,500 for a garden or \$10,000 for a computer room.

**Determine your level of engagement.** Depending how much time and energy your staff can devote to fundraising, you can start by just sending letters or e-mail. If you have more time, consider making follow up phone calls. For the greatest impact, though, you need to meet with people face to face. Donors give 5 to 10 times more to someone sitting in their living room.

**Stay close to home.** Your best donors are likely already programmed in the cell phones of your staff. Encourage everyone in your organization to pick 10 to 15 people off their contact lists and start dialing. Similarly, folks who volunteer their time at your agency clearly care about your mission. If they haven't donated money yet, they may just need to be asked. Or they may be able to provide a donation in-kind. Though you should never make volunteers feel like giving their time is not enough, often, volunteers grow into reliable donors.

**Study the faith model.** Religious organizations have deep relationships with their constituents, which makes it easy to ask for support and ask often. They also don't discriminate between the rich and the poor. "Poor people give a higher percentage of their income than the wealthy do," Robinson says. "The first thing you have to do if you are going to be successful is stop assuming scarcity and start assuming abundance."

**Teach your staff to tell your story.** "You can't ask people to make donations if they don't understand you," Hiser says. And the best way to help people understand you is through an emotional connection. Explain why you are proud of what you do. Focus on what makes you unique. Talk personally about the young people you serve. Set up a "story bank" so that compelling anecdotes are saved and retold frequently.

**Break out the hors d'oeuvres.** Take a page from the political playbook and consider holding private house parties. Whether a barbecue, brunch, or sit down meal, the classic model includes 40 minutes of eating and chatting, a short presentation about the organization and a quick pitch. The whole event lasts 2 hours and takes less than 6 weeks to organize.

**Say thank you.** Show appreciation to donors in various ways and keep them apprised of how the project they donated to (or the whole organization, if they gave an undesignated gift) is faring. That way, they'll feel appreciated and be willing to give money to you again.

**Stay fresh.** There are plenty of great ideas about private fundraising on the Internet. The Grassroots Institute for Fundraising Training ([www.grassrootsfundraising.org](http://www.grassrootsfundraising.org)) is one good place to start.

## **More Than Flowers Blossom When Youth Become Fundraisers**

After fire fighters visited the Deborah Rothe Group Home in Oklahoma City to talk to the girls there about fire safety, the residents wanted to do more than send a “thank you” note.

In fact, the fire department had been helping the girls whenever they needed them for a long time – to take a lock off a door or cut a bike chain when a girl lost a key.

To do something more meaningful for the firemen who had helped them out so many times, the girls wanted to make the firehouse—the firemen’s home away from home—a little more pleasant. They decided to plant some flowers in front of the firehouse.

“The whole thing, from start to finish, was really the girls’ idea,” says Dianne McDaniel, program supervisor at the group home, which provides long-term care for teenage girls in state custody.

The girls wrote a grant proposal to get money for the project; they went before a panel to explain why they wanted to plant the flowers; and after the grant was awarded, they visited garden centers to compare prices on flowers, fertilizer and soil.

When the girls learned they needed approval from the city before planting flowers on public property, they went to a city council meeting to make their case. A councilwoman familiar with the girls’ project told them how the meeting would go and McDaniel helped them prepare their remarks.

On a warm fall day, neighborhood association members came out and helped the girls plant the flowers. Now the colorful tulips and bright, yellow daffodils are the community’s first signs of spring.

But the girls weren’t finished. “Once they had a taste of success, they just wanted more,” McDaniel says. So they wrote another grant proposal for money to buy Oklahoma centennial benches commemorating 100 years of Oklahoma’s statehood. Now community members have places to sit in the neighborhood park and outside the firehouse to enjoy those new flowers.

### **Planting the Seeds of Sustainability**

There are lots of reasons to involve young people in your fundraising efforts. In addition to their energy and enthusiasm, young people can offer creative ideas for raising money and fresh perspectives on those annual events or more traditional fundraisers.

Beyond the immediate benefits, you also provide training for young people to take on leadership positions within your organization or community; you position your organization as strongly committed to young leaders and their development in your community; and you cultivate a core group of young leaders to become long-term supporters of your organization. That is, by investing in young people, they, in turn, become invested in you.

How do you get young people to participate in your fundraising efforts? According to a study by the Association of Fundraising Professionals, young people are more likely to get involved when they learn new skills, develop their leadership abilities, experience personal growth and engage in critical thinking. They also want to see tangible outcomes for their efforts, to know that they are appreciated and to feel that they are making a difference.

McDaniel found that young people are most effective when they believe in what they're doing. "The girls have really blossomed as a result of the project," McDaniel says. Even the neighbors have noticed the girls' improved attitudes and higher self-esteem. "Now, wherever they go, they will take with them that sense of pride and belonging," she says.

### **Tips for Cultivating Young Fundraisers**

- Include young people in every aspect of planning and decision making. Ask young people for their input at the beginning. Get their ideas on how they would like to raise money.
- Make it fun! Don't let young people worry about the finances. That's your job! The point of getting young people involved is to help them build skills, gain confidence and feel more connected to their community.
- Train young people and adults so they can learn to work well together. Help adults consider the assumptions they hold about young people. Think about setting up a buddy system, pairing a seasoned staff member with a young person for questions, advice and general support.
- Recognize each young person's strengths, and consider different ways for young people to contribute. Some young people are savvy with computer graphics, others are more comfortable speaking to groups. Find a role for everyone who wants to help.
- Celebrate your successes, no matter how small they may seem. With money left over after planting flowers, the girls organized a pizza party at the firehouse.

**Learn More**

## **Tools**

**Financial Management Self-Assessment for Nonprofit Organizations** (Nonprofit Assistance Fund)  
[www.nonprofitsassistancefund.org/files/MNAF/ToolsTemplates/FinancialManagementSelfAssessment05.pdf](http://www.nonprofitsassistancefund.org/files/MNAF/ToolsTemplates/FinancialManagementSelfAssessment05.pdf)

A checklist for assessing financial management practices and identifying areas for improvement.

**Scenario Planning Worksheet** (Nonprofit Assistance Fund)  
[www.nonprofitsassistancefund.org/pages/scenario\\_planning](http://www.nonprofitsassistancefund.org/pages/scenario_planning)

A step-by-step guide to preparing for possible losses of funding.

**Steps for Considering and Creating an Alliance** (Fieldstone Alliance)  
[www.fieldstonealliance.org/client/tools\\_you\\_can\\_use/07-22-09\\_forming\\_alliances.cfm](http://www.fieldstonealliance.org/client/tools_you_can_use/07-22-09_forming_alliances.cfm)

Outlines a five-step process for partnering with other organizations.

**Tools for Success Online Self-Assessment** (Cass Centre for Charity Effectiveness)  
[www.knowhownonprofit.org/tools-for-success/self\\_assessment](http://www.knowhownonprofit.org/tools-for-success/self_assessment)

Identifies a nonprofit's strengths and weaknesses.

## Resources

The following Web sites include information on fundraising. Some also list funding announcements.

Afterschool Alliance

[www.afterschoolalliance.org](http://www.afterschoolalliance.org)

The After-School Corporation

[www.tascorp.org](http://www.tascorp.org)

[Afterschool.gov](http://Afterschool.gov)

The Bridgespan Group

[www.bridgespan.org](http://www.bridgespan.org)

Catalog of Federal Domestic Assistance

[www.cfda.gov](http://www.cfda.gov)

The Community Toolbox

[ctb.ku.edu/en/tablecontents](http://ctb.ku.edu/en/tablecontents)

FASTEN

[www.fastennetwork.org](http://www.fastennetwork.org)

Foundation Center

[www.fdncenter.org](http://www.fdncenter.org)

[Grants.gov](http://Grants.gov)

GrantsNet

[www.hhs.gov/grantsnet](http://www.hhs.gov/grantsnet)

[GrantProposal.com](http://GrantProposal.com)

The Grantsmanship Center

[www.tgci.com](http://www.tgci.com)

Grassroots Fundraising Journal

[grassrootsfundraising.org](http://grassrootsfundraising.org)

[Idealist.org](http://Idealist.org)

MENTOR/National Mentoring Partnership

[www.mentoring.org](http://www.mentoring.org)

National Mentoring Center

[www.nwrel.org/mentoring/index.php](http://www.nwrel.org/mentoring/index.php)

National Tribal Justice Resource Center

[www.ntjrc.org](http://www.ntjrc.org)