

Added Value

More than Money

Spring 2009

Do Grants Matter?

Eight Reasons to Value Them

Presentations & Workshops

April 30
CEO Exchange
Community
Foundation of
Sarasota
*Best Practices For
Closing A Program*

Teleconferences
May 15
Money-tastic #2
*A Short Course in
Nonprofit Income
Opportunities*

September 18
Money-tastic #3
*Creative Revenue
Streams for Your
Nonprofit*

We welcome your
letters and comments.
Send yours to:
Info@kedconsult.com

KAREN EBER DAVIS
CONSULTING

When I arrived to prepare for the workshop, the previous presenter was picking up. After we exchanged greetings, she teased, "So, I suppose your workshop's on grants. Don't you ever get tired of them?" The serious, short answer was no. The "No, here's why" answer is this article, written to celebrate this firm's 15th anniversary. Use it to help others understand why grants, despite their challenges, continue to be significant for your nonprofit. Or, if you like the other presenter remain skeptical, consider it a primer on their value.

1. Real Income

While few organizations succeed with only grants for revenue, nonetheless they offer substantial income. Foundation gifts alone equal \$41 billion per year. Since foundations are not the only granters, we need to include grants given by government agencies, federated drives, corporations and sources, like Susan B. Komen for the Cure, Junior Leagues and occasional awards. They amount to at least \$230 billion or 15% of the yearly nonprofit economy.

Grant availability varies within the nonprofit sector. To get specific information about potential grant

Celebrating
15 Years



income in your field, study similar nonprofits 990's on Guidestar to identify their total grant revenue. If you are in an area that requires government applications to be public, you can review submitted grants en masse to discover the amount, number and sources of grant funds. Many social service and some arts organizations receive one-third of their incomes from grants or grant-like sources. When we define grants as money for which nonprofits compete by submitting applications—grants represent a real and often replicable income source for nonprofits.

2. The Successful Use Them Best

Today, many multi-million dollar nonprofits regularly obtain grants to replace equipment and refresh their

Continued on page 2

Are you an executive director of a nonprofit organization that needs more money for your mission? We can help. Since 1994, this firm has helped hundreds of groups find new money, improve services, build strong organizations and turn ideas into funded realities. Contact the *More than Money Consultant* today to build your team, develop your ideas, win grants and fund your mission.

Continued from page 1

customer's services. One local group, in two years, upgraded their fleet with six new vehicles. While vehicle replacement lacks glamour, the replacements improve their efficiency, customer service and reduce their operating costs. Successful nonprofits seek grants to improve their organizations. In turn, they use these new resources to increase their competitiveness for future donations from *all* sources.

3. Nonprofit Venture Capital

Grants remain one of the nonprofit's world's venture capital sources. When you are ready to launch your new idea, the right grant donors will share the risks and help you to move your ideas from concept to reality. For example, an organization seeks to add a new program to serve youth. The availability of local funds combined with the possibility of significant future federal funding provides the impetus needed to launch their new venture. Over time, the resulting new program becomes their star effort. Working on it energizes their staff since it involves the part of their mission where they share the most passion.

Another organization, in this case a statewide association, also wants to launch a new venture. The possibility of grant funding creates a 'stimulus package' that launches them from idea to implementation. At the resulting program's tenth anniversary, a member survey identifies it as **the** most beneficial of all provided by the organization.

4. Excellent Hourly Rate

Getting paid well for your efforts especially in the nonprofit arena

is rare. However you, like many long-standing nonprofits, probably have several grant donors who accept and fund your yearly applications. While any grant (or source of income) is rarely a sure thing, during the year you make efforts to honor your relationship with the donor. You keep them "in the loop." You thank them multiple times for their gifts. You file timely reports. And, you consistently recognize them as an important mission partner.

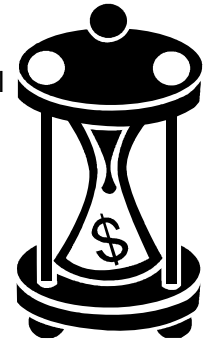
Over time, you also hone your grant application procedure to create minimal disruptions in your operations. Now, a month before the deadline, you gather your key staff to identify request ideas for around \$5,000. You make a decision. Staff cuts and paste an application draft from a previous request. They add needed updates. You proof and finalize the draft. After five hours of total work, you submit the proposal. In 90 days you receive a check. By dividing the five hours of staff work into the \$5,000 received, you calculate an hourly rate of \$1,000 per hour.

5. Value: More than Money

If you only receive money from your grants—you're getting too little. Successful grant seekers use a "more than money" approach, to ensure that they receive more for their efforts.

One example of "more" includes obtaining increased prestige for your organization. Winning a competitive national or even regional grant is like winning entrance into an ivy league college. When you publicize your success, this enhances your organization's standing. It is not uncommon to find the value of the award's prestige greater than the grant award dollars.

The paperwork for a first National Endowment for the Arts (NEA) Grant combined with an average grant award of \$7,500 yields a poor hourly return. However, shrewd art leaders understand that for people to fall in love with their art, they must attend their events. NEA recognition entices participation. So, they use the NEA icon in all their publicity.



Why does this work? Art enthusiasts know that the NEA application provides a vetting process for high-artistic quality. When an art enthusiast visits or moves to an area, they select art events that display the NEA icon.

Announcing your awards from selective grant donors provides your organization a shorthand signal that publicizes your excellence. Your organization, like leaders in the arts, can obtain prestige, one type of "more than money" from grant awards by creating press releases, public appreciation and other celebratory events and announcements.

6. Donors, By Any Other Name

When people think about grants they immediately visualize application writing. However, the majority of successful grant solicitation activities are not writing. Instead, they involve contacting, nurturing, reporting to and thanking donors plus developing a system to organize information. These activities all overlap with creating a successful individual donor program.

Nonprofits survive, grow and thrive by creating communities around their mission. Grants donors become part of this community. Individuals, also, provide excellent

support. Long-term, you succeed with both by building positive relationships with them. The process of courting and winning individual donors and the process of creating winning grants have a great deal in common. (For information on the specifics see the articles and related CD on coordinating these two fundraising techniques at www.kedconsulting.com.)

7. Planning Complete

What is your budget for next year? How many people will you serve in your new building? How will you fund the project after year one? Winning grants requires that you share your plans. Before writing a proposal most organizations can readily identify how they will spend the money. However, unless it is for a capital purchase, few know the details on how they will complete the grant project. How will you serve 200 children at the end of six months? Who will inform parents? Collect fees? Who will develop the evaluation forms to measure outcomes? By writing grant proposals you answer these and similar questions and generate plans. Organization need plans to succeed; grants help

you to create them.

8. Being The Best

For the last few months, I've been part of a Project Streamline Task Force, sponsored in part by the Ford, Packard, Kresge and other foundations. This collaborative effort of grant making and grant seeking organizations works to improve grant application and reporting practices. A recent task force discussion involved the value of site visits in lieu of extended applications.

During the discussion, I visualized a favorite non-profit executive running around sprucing up his facility before an impending visit. Who hasn't cleaned up their desk or replaced a worn welcome mat when a donor's visit was imminent? Site visits, like many aspects of grants, provide your organizations with incentives. These range from refreshing your facilities, straightening your files to major overhauls.

Occasionally, your grants challenge you to make deep changes. More

Continued on page 4

Learn More

Do you want more free information? See www.kedconsult.com. You'll find 60 Proven Result articles on team building, leadership, planning, money and grants. Read these new ones today: *Turning Words Into Money for Mission*, *Volunteering to Help with Grants* and *The Gift Recognition Chart: Establishing Meaningful Ways To Offer Thanks*.

Order or Request Information Here

name _____ organization _____
street _____ city _____ state _____
zip _____ phone _____
email _____

Please contact us regarding: grants, facilitation, strategy planning for success—how to get from here to your goal OR _____

For purchases, please enclose a check made out to: *Karen Eber Davis Consulting* for the total amount. Mail to P.O. Box 15464, Sarasota, FL 34277. Telephone: 941-924-4860. Prepaid only.

- # **Local Sources** for Sarasota, Manatee, Charlotte Counties \$150 \$ _____
- # **More Local Sources** for Sarasota, Manatee, Charlotte Counties, \$35 \$ _____
- # **Grant-tastic!** Tips Booklet \$9 \$ _____

CD's to purchase, each \$60, buy all 3 for \$175, includes free *Grant-tastic* Tips Booklet \$ _____

_____ of copy(ies) of *Applications Not Accepted: Establishing Relationships With Reluctant Grant Donors* \$ _____

_____ of copy(ies) of *A Marriage of Convenience, How to Link Your Grants and Individual Fundraising* \$ _____

_____ of copy(ies) of *Getting A Yes, Before You Request* \$ _____

Shipping and handling \$ 7.00

FL orders add 7 percent sales tax or proof of exemption \$ _____

Total enclosed \$ _____

KAREN EBER DAVIS

CONSULTING

P. O. Box 15464
Sarasota, Florida 34277
941-924-4860 (phone)
941-924-6153 (fax)
karen@kedconsult.com

© Karen Eber Davis 2008, all rights reserved

www.kedconsult.com

Contact us for help with obtaining more money for your mission

Do Grants Matter? continued from Page 3

often, they challenge you to complete important, but non-crisis tasks. A group, applying for a federal grant completes an Americans with Disabilities Act Survey. They had planned to complete it eventually. However, to check a “yes” box in the application, they finish it now. Similar opportunities abound in questions (and their implied expectations) about board donations and strategic planning in your applications. Grants provide deadlines to help you prioritize activities that keep you healthy and up-to-date.

Do Grants Matter?

The Council on Foundations website lists these historic grant initiatives: the 911 system, the Hospice movement, the pap smear, public libraries, the polio vaccine, rocket science, the yellow fever vaccine, white lines on highways and Sesame Street. All have their roots in a convincing grant request someone wrote, submitted and won. While these efforts offer national impact, closer to home you drive by building and programs, like libraries, after-school programs and theatres supported and sustained by grants.

Along with other mission enhancing work, during these fifteen years, it's been our privilege to help nonprofits obtain grants. Grants provide funds and inspiration. For these reasons and more, we hope you'll join those of us who vote, “Yes, Grants Matter.”

Money -tastic!

Tip of the Month

Money Tastic Tip# 3

Take Advantage of Your Product Placements

After Hurricane Charlie, a local nonprofit leader appeared on national TV wearing an Old Navy T-shirt. Later in the day, he received a call from their headquarters. They were sending him a check to help with the recovery effort. Corporations pay significant funds to have their products placed in movies & TV shows. Look for the endorsements you create. When you find them, share them and request a donation to continue their use.

Need more tips? Purchase your copy of Grant-tastic today.

