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KAREN EBER DAVIS
CONSULTING

If you are a nonprofit blessed with physical facilities, it is likely that you have a capital campaign in your life. That is, you're in the midst of one, finishing one or you will soon embark upon one. If you are a 501(c)(3), wherever you are in the process, grants can help you to achieve your goal. Besides adding to your bottom line, they can increase your credibility, allow for wide participation, encourage you to refine your case statement and provide challenge grant opportunities. This article offers an overview of how to organize grant seeking during your capital campaigns. To maximize your income I suggest a four phase process.

Phase I: Organization

The goal of the Organization Phase is to identify potential grant donors, organize materials about them and create a plan to seek grants from them. The plan will help you know whom to approach, when to approach them and the potential content of each request. Ideally, complete this phase with the other initial steps of your campaign. This early planning allows you to form or enhance relationships with potential donors and lay the groundwork for your requests. In addition, your planning will help you to estimate campaign income from grants.

Starting early, also, allows time to research different opportunities to determine the best way to use each one. By investing time

to understand the rules, court the right officials and, as necessary, get your organization's "duck in a row," you will ensure you both receive the award and that you maximize it.

For instance, the Federal Home Loan Bank of Atlanta's Affordable Housing Program provides bonus points to applicants for donated land. To win the points you must: 1) know this criterion and 2) apply it to your situation. One nonprofit exploring this opportunity adjusted a land purchase in response. Instead of obtaining a deep discount on the purchase, they divided the land to be purchased into two. They purchased the first parcel at market price. The second was donated. While the monetary exchange remained the same, by making this change the nonprofit gained critical bonus points — and the funding.



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Do you want to achieve more of your mission by turning your ideas into funded realities? Since 1994, this firm has helped hundreds of groups do exactly that—and secure millions of dollars to improve services and build strong organizations. Contact the *More than Money Consultant* today to build your team, develop your ideas and win grants.

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During this phase, and for the duration of the campaign, I recommend you develop a planning chart to track your different grant opportunities. Using a database program like Microsoft Access works well. In your chart include space for sources, the amounts to request, the next action step and due dates. You can find an example chart at www.kedconsult.com under the tab, *Free Articles, Proven Results*. Use the chart, during the campaign, to provide a quick overview of your opportunities, upcoming due dates and the associated action steps.

To keep track of your sources record them all. For later, include donors who do not fund capital campaigns, but who do help with equipment or activities, i.e. computers for the new computer lab. (You will seek funds from these donors in Phase 3.)

After you list the sources, rank them from high to low priority. Who is a priority? Everyone's criteria will include those who can provide the most money. After that, establishing priorities is part science, part art. Prioritize those with whom you have a strong relationship and donors with passion for your mission. However, to keep your list manageable, be selective about assigning the highest priority. For example, you might rank donors with local giving history in your mission area—but who have never funded you, less than the highest rank. Using the chart and being selective will help you focus your efforts on the top sources, be conservative in your income estimates while keeping all possible donors at hand.

Capital Campaign Sources

Common sources of grants for capital campaign include foundations, corporations and government agencies. In this last case, consider both programs designed to provide capital plus special allocations.

Phase 2: Seek Capital

The second phase of grant winning in a capital campaign involves submitting requests. Unless you have an outstanding relationship with a grant donor who is willing to lead the campaign, you will seek grants toward the middle of it. That is, either late in the silent phase or early in the public phase. This timing will allow you to publicize your success, boost your public relations activities and attract new individual donors. It also provides your grant donors with an assurance that you will spend their funds before their next giving cycle.

Researchers have found that matching grants raise more money. In one study, letter recipients who read about a matching grant were more likely to give and donate more, than recipients in the control no-match request letter.¹ Therefore, celebrate if you are awarded a matching (challenge) grant. And, if not, consider creating one of your own by requesting one in a proposal.

Use the planning chart as a reference to keep track of the due dates and priorities. During this busy time, once you write your first request, you will be able to recycle paragraphs from it in later grant documents. However, do upgrade and customize each request. In this way, over time you will create better returns and finer, clearer case statements.

Phase 3: Seek Items

Your campaign has been successful. You're watching the building's construction. It's time to kick in the next phase of your grant seeking. Casually, this third phase is known as "the stuff phase," because your new building will need furnishings and equipment. This includes everything from chairs to window treatments to program equipment (and perhaps—staff.) Many of these needs make excellent grant requests. They are



How Much?

How can you establish request amounts? For a general overview on amounts see the article, "For How Much Can We Ask?" at www.kedconsult.com under the Free Articles tab. Capital campaigns, because of their infrequency and greater needs, provide opportunities to ask for larger amounts.

one time. They help provide direct service to your customers. They can be broken into chunks matching the size of the anticipated gifts. Finally, your capital expenses offer a first-rate match to these new gifts.

In Phase 3, also, consider-

1. Grant donors, who because of their guidelines did not participate in your capital efforts.
2. Approaching people who turned you down over a year ago for a capital request. Because of your greater knowledge of them, a change in their circumstances or your persistence, you may receive support now.
3. New donors who weren't available or whom you weren't aware of in Phase 1. During your multi-year campaign, you will have the opportunity to develop new relationships with donors. And new donors, like family foundations, will become available. Offer these new sources the opportunity to participate, either with any remaining capital expenses or to launch a program.

Phase 4: Ongoing Relationships

This Phase includes a review of your

potential grant donors to seek funds once again from those who have shown interest, but offered no funding to date. Consider offering them the opportunity to provide a scholarship for your most appealing customers (i.e., small children.) In this way, during your capital campaign you offer potential donors three different funding options--capital, equipment/programming and scholarship.

Phase 4 involves thanking donors and sharing with them the fruits of your efforts. Tell them what happened to the money they gave. Share the impact it has and continues to have in your organization.

Phase 4, also, seeks long-term gains. You worked hard to obtain grant donations. Keeping donors is easier than finding new ones for your next campaign. Since you are a capital-rich nonprofit organization, use this Phase to prepare for your next capital effort. Evaluate what you learned. Identify those you still want to nurture---and say thank you again.

Conclusion

Running a capital campaign is huge undertaking. Grant funding provides significant and critical resources. Grants provide community recognition and can help the capital rich nonprofits meet their capital campaign goals.

1. Meet Your Match, *Stanford Social Innovation Review*, P. 19.

Giving in Return, continued from Page 4

to other local campaigns. Adjust as necessary.

- 6. Remember, not all donors seek naming opportunities. Besides asking about preferences, a good way to identify donors who appreciate them is to visit other local nonprofit buildings. Visits, also, offers you an excellent opportunity to review the style, wording and size of recognition plaques. You might even identify some new donors.
- 7. If your grant donors shun personal limelight, ask if they would appreciate a naming opportunities for others. Would they like to honor a relative, i.e., a parent or a child? How about the founder of the organization or an associates—someone with whom they work, a community leader or a business partner?

Learn More

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KAREN EBER DAVIS

CONSULTING

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

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Giving in Return— Naming Opportunities

The following tips will help you to develop naming opportunities for your capital campaigns:

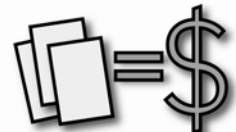
1. Create a list of naming opportunities that totals more than your campaign. This helps in case you don't sell all the opportunities and, if you do, to cover construction cost increases.
2. Price opportunities from low to high based on their attractiveness. Areas that are more attractive, i.e. entryways, can carry a higher cost. You can price these higher than your construction estimate.
3. To offer more naming opportunities in popular areas, get creative. For example, expand the popular health clinic into a wellness wing. Include several nearby classrooms. Offer naming opportunities for these classrooms and plan to use them for classes with a health focus.
4. When you determine which grant donors seek naming opportunities, determine the range of gifts they give (ideally in Phase I.) Then, create naming opportunities to match your anticipated requests.
5. Compare the price of your naming opportunities

Continued on page 3

Grant-tastic! Tip of the Month

88. To create an expense budget for a new activity, estimate costs from three perspectives: optimistic, pessimistic and realistic. Your final budget should evolve from the third, with modifications gleaned from the first two.

Grant-tastic!



121 Expert Tips
on Writing and Winning Grants
for Your Nonprofit

ked^{*}
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The More than Money Consultant

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