

# Added Value

Timely Info from Karen Eber Davis Consulting

January 2004

## Grant Funding—What's Up?

Over the past months, we've been busy helping several organizations identify grants sources outside Southwest Florida plus searching for sources to include in the new editions of *Local Sources* and *More Local Sources*. (The later, by the way, found that over \$56 million dollars in grants is given out yearly in the three county area.) Here are some of the trends we noticed in the grant world during our research. After each trend, we discuss what the development means for your organization.

### The Trends

#### 1. Extension of grant periods

We see more grant performance periods extended from one year to 18 to 24 months. This helpful trend allows you time to set up and evaluate grant-funded programs before the final report due date. This time extension also provides a more realistic period to achieve meaningful results. Unfortunately, we noted no coordinating increase in grant amounts for the additional staff time involved. What does this mean for you? Instead of seeking funding for 12 months, consider redesigning projects for longer periods.

#### 2. Decreases in assets of foundations

Unless you have not read a newspaper in the past several years, this trend will come as no surprise. Even with the last quarter's

more promising business climate, grants made in response to increasing foundation assets may take several years. This is because the IRS requires foundations to use 5 percent of their assets yearly for charitable purposes. Foundations can average donations over five years. What does this mean for you? To respond to the decrease in assets, funders generally select one of two options. They either give smaller or fewer grants. You can check out past IRS reports (often called 990 pfs) to see which strategy a funder adopted and adjust your requests accordingly.

#### 3. Increasing information on funders

As in other areas of information work, nonprofit managers can learn quite a bit about grant funders through their computer screen. See the sidebar on the next page for grant information sources on the Internet.

#### 4. Growth of small foundations

Did you know that in the United States there are about 61,800 foundations with assets valued at over \$450 billion that give grants of 30.3 billion yearly? The top 1 percent own assets in the hundreds of millions of dollars. According to the Foundation Center, the number of these active grant-making foundations more than doubled between 1988 and 2001.

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Karen Eber Davis Consulting helps people turn good ideas into exceptional, funded ventures. Since 1994, the firm has helped more than 100 organizations—including social service, education, religious, arts, environmental government and healthcare Institutions—to improve services offered to their customers and strengthen their organizations.

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The majority of foundations are small, without staff. Smaller foundations often focus their funding on relationships. This grant giving is the opposite of NIMBY (not in my backyard) rather IMBY (in my backyard) or in the case of new retirees in an area, IMFBY (in my former backyard). Overtime, we see some IMFBY grantors turn into IMBY grant givers. The Association of Small Foundations

(membership is based on office staff size) found that up to 70 percent of its member's grants are given within the state where the foundation resides. What does this mean for you? Unless something indicates differently, you can use your grant energy to focus on foundations within 50 miles of your service area. To identify these local foundations, you can work with *More Local Sources*. The new edition includes more than 100 small area foundations.

5. *For foundations, increasing resistance to "cold" requests*  
On the IRS Return of a Private Foundation, we noted an increase in the number of foundations checking the box that indicated they do not accept unsolicited applications. What does this mean for you? As with the last trend, the need for knowledge about funders and forming relationships with them continues to increase. In this case, reviewing past activity data will help you see if these "closed" funders have an interest in your cause and if you have any friends who can help you to meet the foundation's directors or trustees.

### Local Trends

Grant funding is always more than foundation funding. For example, in the new edition of *Local Sources*, which lists the area's competitive funding sources, almost half of the funds available

to the community did *not* come from local foundations. Thirty-seven percent of these dollars came from government resources (20 sources) and 9 percent came from other groups (i.e., United Way and others that raise money to distribute to nonprofits). Foundations included 87 different sources that awarded 54 percent of dollars during their most recent reported funding cycles, although not all of these dollars stayed in the community.

What does this mean for you? All funding sources require tradeoffs. Although grant seekers tend to find government grant applications more cumbersome, with these you have fewer sources to follow than foundations (20 vs. 87 sources). To correspond to the extra efforts involved with government requests, these sources usually provide greater allocations. Foundations generally provide a simpler funding process, but they can be less openly competitive. That is, your relationship with them can be more important than having the best request. Foundations also tend to focus more on capital and new program expansion than operational funding.

### Conclusion

Overall, the idea of "giving a grant" continues as a mechanism for funders to partner with nonprofits to make improvements and to serve the community. Even as grant programs change, they continue to be resources for the nonprofit organization to expand its work in the community. As you make your funding plan for the New Year, your first priority should be to seek funds that will bring you closer to fulfilling your mission. Then, the trends above can help you refine those plans.

### Information on Grants

Fewer than 10 years ago, detailed foundation data (like IRS reports) could be retrieved in regional libraries on microfiche. Generally, one could only access this data with awkward microfiche readers, good eyesight and patience so as not to get the slide in upside down, backwards or both. Now, at your computer you can find the same information and more, by going to:

- The Foundation Center's ([www.foundationcenter.org](http://www.foundationcenter.org)) Foundation Finder, where you can search by foundation name and eliminate extraneous names by adding the city or state. Inside the individual foundation listing, the site provides a link to the agency's most recent IRS report.
- As a back up, at GuideStar ([www.guidestar.org](http://www.guidestar.org)) you can "quick search" for a foundation or other nonprofit organization. For example, a search for Selby came up with 16 listings, including the Selby Foundation. Inside each organization's page, you can find a link to the IRS report. To date, the Foundation Center generally offers more recent information.
- At Google ([www.google.com](http://www.google.com)) or your favorite search engine-- key in the grant source name. These often leads you to the grant website and if not, agencies that received funds from this grant source.
- Community or government websites for local information. One very useful Sarasota County site is located on County library page ([suncat.co.sarasota.fl.us](http://suncat.co.sarasota.fl.us)) where patrons with a library card can access databases via the Internet. One database, Proquest, provides access to the *Sarasota Herald Tribune*, the area's main local newspaper. If your library offers this service, you can look up your grant program or any article you remember seeing, but did not clip.

## Announcing the 2004-2005 Editions



*Local Sources* is an easy-to-use, in-depth grant reference for Charlotte, Manatee and Sarasota counties. The text includes individual information about funders, including their deadlines, contact information, application requirements, board members, to whom and how much was funded.

To be included in *Local Sources*, resources generally made local decisions, had local offices, offered local funding, funded multiple organizations and in the case of foundations, owned assets that exceeded \$250,000.

### What's new in the new edition of *Local Sources*?

- Updates for every funding resource.
- Eighteen new funders plus 6 new grant programs and
- A total of 118 local area funding resources.

The companion edition, *More Local Sources*, contains a list of 232 funders who do not meet the size or other criteria in *Local Sources*, but are still interesting to many development offices.

### What's new in *More Local Sources*?

- Updates on these resources, with an additional 24 more listings than the past edition,
- Thirty funders never identified in previous editions.

Ordering information is provided below.

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## To Order or Request Information

name \_\_\_\_\_ organization \_\_\_\_\_  
street \_\_\_\_\_ city \_\_\_\_\_ state \_\_\_\_\_ zip \_\_\_\_\_  
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**See page 3  
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