

Added Value

More than Money

Fall 2006

www.kedconsult.com

Panning for Great Grant Donors

Inside This Issue

\$5 million
raised for
client

Dec. 1
Clinic
(insert)

7 Hints to Help
Organize
Your
Potential
Grant
Donors

Newsroom

Finding grants is easy. Once you identify where to pan,¹ you'll discover 98,000 U.S. private grant-making foundations, 750 federal grant and loan programs, upwards of 5,000 state and local programs and one-time initiatives. With your 501(c)(3) IRS non-profit designation, your organization literally qualifies for thousands of them, because this status and a request letter are the only official requirements for many donors. Finding grants is easy.

The challenge for any grant seeker lies in reducing these 100,000 or so opportunities to those most likely to fund you. This issue offers two sets of criteria to help you systematically identify your "gold" in this wide stream. How important is identifying the right source? Some experts advise that 50 percent of obtaining a grant is identifying an appropriate donor. The importance of a good match, however, is more like 99 percent, as illustrated by the group below.

To sort their options from the 100,000 sources, Acting Out Theater used the search engines from two databases to identify 200 grant programs that provide funds to theaters and made donations either in their state or nationally. Acting Out studies these donors to confirm that Acting Out qualifies for the grants by reviewing published guidelines and recent grant award lists. This study

eliminates 150 sources. At this point, the organization ranks the remaining 50 prospects on the strength of the match from low to high-priority, using a number of criteria like—did the donor fund one theater program or several? Did they fund a couple of groups in their state or just one in the capital? Do they seem to prefer classic or more avant-garde programming? Etc. Twelve programs end up with the highest rank. One year later, after they apply to all twelve, they receive eight awards totaling \$95,766.

Given this abundance, how can you find your best matches? Generally, reducing the 100,000 sources to less than a 1,000 is a matter of using good database skills. After that, since you don't have time to follow-up on a thousand or even hundreds of sources, use a set of criteria to help you to identify your best ones. Using criteria and ranking sources will help focus your efforts on donors where you both qualify and where your match is strongest.



Continued on page 2

Do you want to achieve more of your mission by turning your promising ideas into funded ventures? This firm has helped hundreds of groups do exactly that—and secure many millions of dollars, improve services and build stronger organizations. Contact the *More than Money Consultant* for results with facilitation, planning and grants.

ked*
Karen Eber Davis Consulting

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Test Criteria For Everyone

The first criteria test suggests six standards you will find useful in almost all situations. To compare opportunities, give each grant source a point for a criterion they meet, except the last, which receives two points.

Criteria Test #1

The donor _____ (fill in the blank):

1. And you, know each other
2. Funds locally
3. Articulates a narrow range of interests or a wide-range of interest (both which include you)
4. Gives an amount you determine to be significant
5. Requires a simple application. If more information is needed, the donor requests it from only the top applicants.
6. Previously funded you. The funded activity was a win for the donor, for you, for your customers and for the community. (Double point)

Scoring

Excellent -- 6-7 points

Good-- 5-4 points

Maybe--1-3 points

Tasks

1. How did your last successful grant score on Criteria Test#1? How about a recent rejection?
2. In which category did most grants you sought last year fall within?

Going for Purer Gold

On Criteria Test #1, the Shall-Not-Be-Named Foundation received an “excellent.” However, after working with them you learn that they often quietly change deadlines and then scold applicants for lateness. And, to compete, you must submit a eight-page application for an average award of \$3,000. They send volunteers for site visits. Last time, yours

took place on the day your plumbing backed-up and you could not cancel. Finally, to receive the check, the Foundation requires your executive director and board chair to attend a lengthy box-lunch meeting.

Not all grant money, even when if it meets the first set of criteria is... well... fun. Early in your organization life, you often need every dollar. As you grow, your grants can and should provide *more than money*. Even if you never run into donors like the Shall-Not-Be-Named Foundation², many groups find it advantageous to fine-tune their criteria further. Here, are some additional standards to consider. Each garners at least one point in scoring.

Optional Criteria List

- The donor funds your group for its largest awards
- The donor is predictable. Their guidelines include specific due and response dates and a consistent giving history
- The donor is accessible for questions and gives feedback on how to strengthen applications
- They give grants for overhead and other difficult-to-fund expenses
- The donor honors your time, i.e., the application process serves as a meaningful planning tool (no matter what the grant outcome); the review process is reasonable for the potential gain and any required meetings are brief and to the point
- Associating with the donor enhances your credibility; the donor helps you to connect to a wider-circle of influence
- You or your leadership has “simpatico” with the donor, i.e., after lunch together you both return energized
- You can respond to the donors needs without compromising your mission
- The donor actively seek to

understand your situation; if suggestions are offered—they are realistic

- The donor participates as partner, not as an all-knowing parent

Tasks

1. Which three criterion would most help? Circle them and add them to your list and adjust the scoring to reflect their value to you.
2. How will you use these two lists? As is? Or, will you adapt them by adding more or less points for each criterion?

The Final Criterion— Common Sense

Sam, a new staff member at Acting Out Theater organizes their grant files. While doing so, he discovers that the Big Family Foundation (one that did not appear on their database list) funded the organization in 2001 for \$7,500 for a well-received musical production (2 points). Sam searches for a website, after finding none, he reviews the Foundation’s IRS records at the Guidestar website (www.guidestar.org). The Foundation only funds small grants (0 points), accepts letter applications (1 point) and states they fund musical theater in an adjacent state (why they failed to appear earlier and a common reason for elimination.) The next day, Sam speaks with Acting Out’s long-term artistic director who remembers that a niece of the Foundation’s founder starred in the 2001 musical. She provided the invitation to apply and is still active.

Sam has lunch with the niece and discusses next years planned production of a musical. She, in turn, contacts the Foundation and responds with an invitation for Acting Out to seek funding. Sam prepares the letter and Acting Out earns \$7,500. (For help writing a letter applications see www.kedconsult.com/articles.)

Developing criteria

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for your organization will help you earn the most funds overall. Long-term use of your criteria will help you stay on course, but be willing to toss it to take advantage of special opportunities. Reality, as always, is complex. In the case of Acting Out, the personal invitation and connection trumped a mediocre score on the Criteria Test#1 and the official guidelines.

Ongoing Gold Panning

How do you evaluate a grant opportunity? Ultimately, prioritize those where you have at least a 50 percent chance of earning funding and where you get more than the money from the experience. As you study opportunities, you will learn you have too many. Establishing criteria will help you to focus on those with the most potential for long-term results. Criteria will help you articulate what you seek and focus on relationships to maximize your time and resource investment. Why “pan” for less?

Endnotes:

1. To start, www.Gov.grants is helpful for federal sources. For foundations, I like the Foundation Center’s largest database. State, local and one-time opportunities are more complicated—perhaps for another issue.

2. Okay, this foundation can’t be named, because it represents a composite of experiences.

Newsroom

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December 1, Nonprofit Clinic

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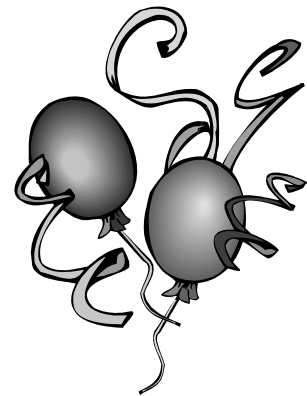
P. O. Box 15464
Sarasota, Florida 34277
941-924-4860 (phone)
941-924-6153 (fax)
karen@kedconsult.com

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Seven Hints to Help Organize Your Potential Grant Donors

1. Invest time “panning.” On average, invest 25 percent of your grant dedicated hours to finding sources. To start you may need 50 percent. In reality, invest whatever time you need to create a shortlist of high-return prospects.
2. Review published materials. Read everything about your likely donors. If possible, set-up exploratory meetings. Ask questions to better understand their goals. Of which grants are they most proud? Why? Besides, poor matches, what is the most common reason people don’t get funded?
3. Recognize that most of your “panning” will involve eliminating donors that don’t work to concentrate on those who do
4. Create a criteria list. For most organizations, an ideal source list includes 25-30 donors with whom they plan to establish or already maintain cordial relationships
5. Rank your donors. Make a month-by-month plan to seek funds from the highest ranked ones
6. Update your shortlist as you encounter new donor and eliminate others
7. Overtime, customize your criteria so you can quickly sort opportunities into “yeses” and “nos” and spend more time developing applications



This news just in...
a client just
received
\$5,000,000
in grants that
we wrote.

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