

Successful Corporate and Foundation Fundraising for Nonprofits

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Why Foundations? Why Corporations?

- As government funding diminishes, private foundations and corporations can help
- Especially useful for new programs and special efforts
- Strong interest in programs that involve local communities
- Big money – foundations give away \$41 billion a year and corporations \$20 billion
- Top three areas are education, health, and human services

Why Are Nonprofit Programs Attractive?

- Meet real needs
- Matches donor demographics and interests
- Visibility and prestige of being associated with good works in the community
- Small investment, big return
- Sustainability of programs

Fairness vs. Stewardship

- Foundations, corporations and government agencies have **fundamentally different** approaches to funding decisions
- Not understanding the difference often leads to frustration by grant seekers

Government Process: Fairness

- All applicants should have an equal opportunity – a “level playing field”
- Detailed written criteria (Request For Proposals)
- Review panel of outside experts
- Staff members who are assigned to answer questions

Foundation and Corporate Process: Stewardship

- Stewards of donor’s intentions and interests
- Often favors known successful programs
- Makes use of information not in the grant proposal
- May not have a written proposal process or staff access at all
- Final decision makers may not be experts

Goal is the Same

- Both government funders and foundations/corporations want to fund excellent projects
- Approach is different
- Successful grant seekers tailor their proposals for each foundation or corporation

Why Do Corporations Give?

- Good corporate citizenship. Positive community image in places they operate
- Enlightened self interest. For example, they need an educated workforce, so they support education
- Individual leadership initiative. The CEO or senior leaders often shape giving priorities
- Civic participation. Often restrict giving to places in which they operate
- Quid pro quo. What's in it for us?

Why Do Foundations Give?

- To honor the donor.
- To make the world a better place.
- To meet community needs.
- To gain prestige or visibility (sometimes).
- Because they have to (IRS 5% rule). And only to 501(c)3 organizations

Writing a Successful Foundation/Corporate Proposal

- First and foremost, it is just good grant writing
- Every foundation and corporation is unique: follow **their** process
- Never “repurpose” a government grant proposal for a foundation or corporation

A Step by Step Approach

- Writing the proposal comes at the **end** of the process
- Many of the steps will take time
- Respect each foundation or corporation's process and procedures
- Make use of the **all** resources you have, including connections to the foundation or corporation

Step 1: Nurture Relationships

- Essential to know the foundation or corporation
- Provide a regular stream of information
- Invite staff to events
- Don't let the proposal be your only communication

Step 2: Advertise Your Success

- Smaller foundations and local corporations especially want to ensure that they are giving to good programs
- Make sure your efforts are seen and appreciated in the community
- A little secret: *foundation and corporate giving people talk to each other*

Step 3: Do Your Homework

- Find out what the foundation or corporation funds and at what level
- “Over the transom” proposals are never successful - and no multiple copies!
- Tailor the proposal carefully to match the language (“buzz words”) of the foundation or corporation

Step 4: Look Locally

- Most foundation and corporate money is local, but most people look nationally
- Have local influentials on advisory boards
- Receiving support locally will help you compete for national foundation funds

Step 5: Understand the Funder's Needs

- What is the foundation or corporation trying to accomplish?
- Is visibility and/or prestige a goal?
- Look at the history of the organization and background of trustees or corporate officers
- Corporations often take cues from employees in deciding what to fund – do you know any?

Step 6: Simplify and Clarify

- Often the downfall of nonprofits
- Have a verbal pitch that is at maximum 2-3 minutes long
- **Write it down** and memorize it
- Answer the obvious questions (cost, length, why you)
- Try the “mother test” – she’s on the Board!

Step 7: Talk before Writing

- **Always** try to talk to a program officer before submitting a proposal if possible
- Ask for advice -- they often can and will give it
- Hearing that they would never fund you is not an insult, it is a favor
- Listen more than you talk

Step 8: Create the proposal

- **Here** is where you actually write the proposal (step 8 of 9)
- Answer the “Three Whats”:
 - Do What? Clear statement of the project
 - So What? What **difference** will it make?
 - Then What? How will the effort continue once funding ends?

Step 9: Remember **Your** Goals

- Don't respond to every foundation or corporate announcement -- you won't be successful and will soon give up
- Be politely persistent
- Don't let the pursuit of funding warp your strategic goals – know what you do well and stick to it

Information Resources

- The Foundation Center: most comprehensive resource
 - <http://foundationcenter.org>
 - Searchable databases
 - Well worth the membership if you submit many foundation proposals
- Foundation websites and annual reports
- Corporate giving information is harder, but a search of local news stories is often helpful
- IRS 990s at guidestar.com

Thank You!

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