

## A Primer on Non-Profit Funding

Finding funding for your program and organization can be exhausting. The following three-page guide will hopefully confirm what you thought, illuminate something new, and encourage you in your journey. The information shared below is based on the experience and research of a handful of grant writers and fundraising experts with decades of knowledge. It brings together the messy and attempts to make it clear. However, in doing so, **we've deliberately over-simplified it**. There are undoubtedly exceptions to elements in this document. **We hope it will be a guide but not a rule book.**

### Types of Funding

Characteristic	Government	Foundation	Individual
<b>Formality</b>	Very (will feel cold and distant)	Middle (will feel like you talking with an acquaintance)	Low (will feel like your friend, it may be your friend!)
<b>Amount of award</b>	Varies Significantly, \$5k-\$100K	\$2,500 – \$10,000	\$5 - \$5,000
<b>Length of award</b>	1 – 5 years	1-2 years	Varies significantly (annual or monthly)
<b>Competition for award</b>	High (often only a few awards given)	Medium (often many awards given)	Medium
<b>Reporting expectations</b>	High (routine reports, often lengthy)	Medium (final/annual report, 1-4 pages max)	Small (maintain relationship)
<b>Oversight expectations</b>	High (check-ins and email correspondences)	Small (no check-ins other than final report)	Small
<b>Availability of awards</b>	Few (as cycles are longer, tend to be fewer available)	Many (cycles are 1 year and there are many foundations)	Nearly unlimited

<b>Likelihood of renewal</b>	Depends on legislation, some programs have been funded for decades, others are 'one-offs'	If you meet requirements and maintain communication, highly likely you will be renewed	
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## Process for Applying for Funds

Government	Foundation
<ol style="list-style-type: none"> <li>1. Get on lists of government RFPs, register for appropriate portals, and search sites routinely</li> <li>2. Evaluate available funding opportunities for the match with organization, the competition level of opportunity, and the ability to complete the requirements for the application</li> <li>3. Apply</li> </ol> <p>Items to consider</p> <ul style="list-style-type: none"> <li>● Little to no communication with the funder allowed. Often you can submit written questions that will be answered for all applying</li> <li>● Rigid with regards to requirements in the application</li> <li>● Time intensive to prepare the application (10-40 hour, depending)</li> </ul>	<ol style="list-style-type: none"> <li>1. Generate a list of prospects by reviewing Foundation Directory Online and similar organizations to yours, including mission, programs, location, size, etc.</li> <li>2. Prioritize a list of prospects and develop a plan for reaching out</li> <li>3. Cultivate relationship and continue to assess aligning of their priorities with yours</li> <li>4. Submit an LOI/Application</li> </ol> <p>Items to Consider</p> <ul style="list-style-type: none"> <li>● Communication is encouraged, and likely essential</li> <li>● Any known contacts at the Foundation or close to the Foundation will be a huge advantage</li> <li>● The process is much less formal</li> <li>● The actual application may not take more than 5 hours to write, but relationship development can be time-intensive</li> </ul>

## Required Elements for Applying for Funds

Government	Foundation
Cover letter Organization overview Statement of understanding (of funding stream) Detailed work plan Detailed budget Detailed staffing for project Evaluation plan  Attachments: Organization Chart, Resumes, Insurance, Clean bill of legal health	Cover Letter Organization overview Description of programs Other funding sources for program or organization Financials (budgets for previous and current year) Board list (affiliations and roles) Letter of Determination (501 3c status)

## Proposed first and second steps

**First:** Think, discuss, strategize. Starting or expanding the funding for your non-profit is not an easy or light decision. We strongly suggest some time to reflect on how these items align (or don't align) with your vision for your work. We also suggest talking through your thoughts with your leadership and board of directors. After leadership and the Board are in alignment, it is time to get to work.

A few questions to think about as you consider pulling in funding:

- What are your funding needs for the next 12, 24, and 36 months?
- What is your current and planned capacity to support the funding? (applying, managing, and reporting)
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**Second:** Search and document. If the decision is to carefully move forward with additional funding, we would highly recommend beginning by getting organized. As you research and document, a good tracker will save you a lot of time and energy over the long-term. In addition, you will need to start developing documentation applicable to the potential funding category (government, foundation, individual). It'll be helpful to have a document with a strong set of standard responses with all of the key questions listed above in the application process. This is true for government, foundation, and individual awards.