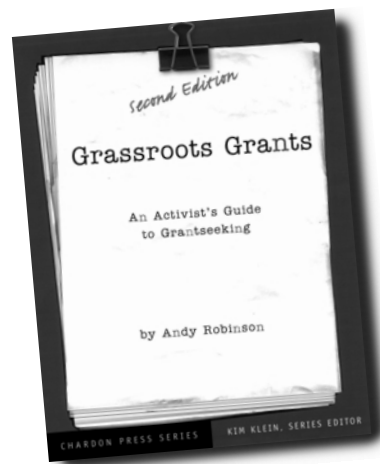


# FINDING FOUNDATION FUNDERS



BY ANDY ROBINSON

**EDITOR'S NOTE:** If you've been involved in fundraising for any length of time, (or read more than a couple issues of the *Grassroots Fundraising Journal*), you know that a healthy, sustainable organization does not depend on foundation grants for the bulk of its income. Because foundation funding accounts for only about 12% of all the private (non-government) funding for nonprofits in this country, it's important to balance your efforts to get foundation grants with ones to generate support from a broad base of individual donors. Having said that, when you *are* seeking grants, it's extremely important to do your homework. This article will teach you how to sift through thousands of grantmakers to identify the best prospects for your work.

## DO YOUR HOMEWORK!

You don't have to paper the world with grant proposals to raise money. According to numerous funders I interviewed, between 40 percent and 75 percent of the proposals they receive don't fit their guidelines. Terry Odendahl, formerly of the Wyss Foundation, speaks for many when she sighs, "Two out of three applicants haven't done their research."

Why are we doing so poorly with our homework? Let me venture a few answers:

- Grassroots groups are too overwhelmed to invest the time or energy, which in the long run reduces their fundraising success, making them feel even more overwhelmed.

- People who prefer print (they call us "ink readers") are less comfortable doing research on the computer, while computer geeks don't want to study the print sources. Thorough research requires both.

- Some activists prefer the "shotgun" approach, assuming that sooner or later they will find a good match through volume and luck. Since fundraising is primarily about relationships — strangers seldom give money to strangers — this strategy seldom works.

- Research requires diligence and organization, and a lot of us don't follow through as well as we should.

That's the bad news. Here's the good news: the more thoroughly you conduct your research, ask smart questions, and cultivate foundation contacts, the more your

organization will stand out from the crowd. When sloppy work is the norm, competent, well-organized groups have a big advantage. By doing your homework and building good relationships, you can raise a lot of money.

## FOLLOW THE GUIDELINES

Before we dive into the research process, I must emphasize the most obvious point, which is also the most important point: follow directions. Most grantmakers — especially those who are bold enough to accept unsolicited applications — publish guidelines to help you, the grantseeker, decide if you meet their criteria. Not only that, they even tell you how to format your proposal, when to submit it, how many copies to send, and what to attach. Unfortunately, many grantseekers are too desperate or lazy or blindly optimistic to follow (or even request) the guidelines.

The remainder of this article outlines four phases of grant research: sleuthing, using computer resources, visiting the library, and studying funder guidelines. Follow these steps diligently and you'll greatly improve your odds.

## PHASE ONE: SLEUTHING

A good detective is always sniffing around for clues, asking questions, drawing conclusions, and testing those conclusions against the evidence. For fundraisers, clues are everywhere. The following steps will help you hone your detective skills.

YOU **DON'T** HAVE TO  
**PAPER THE WORLD**  
WITH **GRANT PROPOSALS**  
TO **RAISE MONEY.**

**Study nonprofit newsletters.** Contact all the groups you can think of — national, regional, and local — that work on issues similar to yours or work with similar constituencies, and request their newsletters and annual reports. Even better, make a donation and have your name added to their mailing lists. If you can't afford to contribute, suggest a free publication exchange between your groups. More and more organizations have Web sites and post their publications online. By looking over the shoulders of your brother and sister groups, you can learn who is funding them.

Keep an eye on local nonprofits, regardless of their issues or programs, as well as groups in other geographic areas with programs that resemble yours. The local connection is important, since most foundations restrict their giving to certain communities or states. The program connection is just as important, because regional and national grantmakers tend to focus their funding on certain issues and populations.

**Check with your peers in other groups.** Call up your colleagues and say, "I've been reading your newsletter and I saw that you got a grant from the XYZ Foundation. How did that happen?" Shelley Davis of the Joyce Foundation says, "Talk with your peers and ask, 'What's the process? What were you funded for? Who did you work with at the foundation?'"

In my experience, colleagues are willing to share this information on the assumption that, sooner or later, you will provide similar information in return. Understand that when you receive funding from an institution — a foundation, public charity, corporation, labor union, faith organization, or government agency — that information is part of the public record. Anyone can get it from the Internal Revenue Service or other sources, such as GuideStar.org. (Conversely, contributions from individuals are generally considered confidential, unless the donor tells you otherwise.)

You can choose to be secretive about where your grant money comes from, but secrecy won't benefit you. It's wiser to share funding information so you can receive new information in return. Perhaps you can strategize with your colleagues about a joint grant proposal.

**Talk with funders.** People who give away money for a living know a lot of other people who give away money for a living. They talk on the phone, share notes, and go to conferences together. To varying degrees, they try to influence each other's funding priorities.

Begin by asking your current foundation supporters for suggestions. Because they work in the funding world, they often have the most up-to-date information and the strongest relationships with their peers. They might be willing to recommend your organization to other grantmakers or write letters of support.

As a next step, compile lists of foundation trustees that fund in your geographic area and are interested in your issues, then circulate these lists to your board, staff, and key volunteers. Anyone with a "live" relationship should be involved in sounding out the funder. Be careful here — some foundations don't want you talking with their trustees about a pending proposal. If you're not sure about the protocol, ask.

Make appointments to meet the staff of your local and state community foundations. These people serve as professional matchmakers and, if impressed with your programs, can recommend you to prospective donors.

As you do your research, you will start to gather leads, names, and ideas. I encourage you to create a file marked "Grant leads — to be checked." When you find a list of foundation supporters in an annual report, tear it out (or photocopy it) and put it in the file. If you see a story about a local foundation in the newspaper, clip it. When a colleague says, "You should investigate the Justice for All Foundation," ask additional questions, write down what you learn, and file it.

As you're reading through donor lists and talking with colleagues, practice "grant-thinking": How can you present or package your work to interest the widest range of potential funders? Your success at getting grants will be based, in part, on your ability to divide your work into separate programs and projects. If you haven't done so by now, start to think about your work in terms of categories and constituencies. What's your issue or subject? Who are you trying to reach, to serve, to empower? Do you work with a variety of population groups? Do you have a variety of projects? Do you operate in more than one city or state?

In other words, how many fundraising "handles" can you create?

## **PHASE TWO: USING COMPUTER RESOURCES AND WEB SEARCHES**

The Internet is overflowing with information for grantseekers. Many websites and services are credible and helpful, while others are less useful and some are downright bogus. Despite the sheer volume of data, keep in mind that the Internet is not a comprehensive source of free grant information.

BY **LOOKING OVER THE SHOULDERS OF YOUR BROTHER AND SISTER GROUPS**, YOU CAN **LEARN WHO IS FUNDING THEM.**

For example, the Foundation Center reports that we now have about 70,000 private and community foundations in the United States, but the Foundation Center search engine — one of the best in the field — provides links to fewer than 3,000 funder websites. It appears that the vast majority of grantmakers do not have their own website. To access some of the most useful data, you may need to pay for search products, purchase printed directories, or visit your closest Foundation Center cooperating library collection to look at this stuff for free.

### PHASE THREE: DOING LIBRARY RESEARCH

Since grassroots organizations seldom have the money to afford electronic research products or buy print directories, an occasional trip to the library remains an important part of the research process.

The Foundation Center operates reference collections in New York, Washington, D.C., Atlanta, Cleveland, and San Francisco. More than two hundred cooperating collections at libraries, community foundations, and other nonprofit agencies throughout the U.S. and Puerto Rico also contain grant research and proposal writing materials.

Each cooperating collection includes a core set of reference books published by the Foundation Center as well as a copy of their searchable CD-ROM database, FC Search. Some grant collections serve a broader function as local nonprofit resource centers, with books and magazines on general fundraising techniques, major donor solicitation, benefit events, earned income strategies, board development, publicity, strategic planning, incorporation and tax issues, philanthropic trends, and nonprofit management.

The following research strategy can and should be adapted to meet your own needs. If you'd like assistance or other ideas, talk with your local librarian. Some libraries offer a hands-on orientation session to get you started.

1. **When you go to the library, bring a pen or pencil, paper to write on, scrap paper (to tear into strips for bookmarks) and money for the photocopy machine.** Don't forget your "Grant leads to be checked" file.

2. **Collect several grants directories from the shelves.** The most useful resources are *The Foundation Directory*, *The Foundation Directory Part 2*, *The Foundation 1000*, *The Foundation Grants Index* (all published by the Foundation Center) and the *Foundation Reporter* (published by Taft). There are

also many subject-specific directories. If you're seeking grants from major corporations or corporate foundations, start with Taft's *Corporate Giving Directory* and the Foundation Center's *National Directory of Corporate Giving*.

Many grantseekers find that state or regional funding directories are more relevant to their local funding needs than the national directories and databases. State or regional directories may also capture local funding opportunities that the national databases miss, providing the best prospects for community-based groups. Sixty-five state or regional directories now cover 47 states. They are compiled and produced by a variety of nonprofits, universities, and private businesses. Most are published in print or CD-ROM formats, but 12 are available online; subscription prices range up to \$500 per year, with most costing about \$200. Check with your local library for free public access to these print directories and databases. For a list of state and regional directories, check the Foundation Center's website.

### Finding Funders on the Internet

*To get you started in your Internet research, here's a list of relevant Web addresses. These sites will provide you with background information and steer you to specific funders and funding opportunities. Keep your eyes open for links between grantmaker interests and your work, and take good notes.*

**Foundation Center** — [www.fdncenter.org](http://www.fdncenter.org). The website includes list of cooperating library collections ([fdncenter.org/collections/](http://fdncenter.org/collections/)) and a listing of state and local grant directories ([fdncenter.org/learn/topical/sl\\_dir.html](http://fdncenter.org/learn/topical/sl_dir.html)) that profile many smaller, locally based funders.

**Canadian Centre for Philanthropy** — [www.ccp.ca](http://www.ccp.ca). The CCP researches Canada's charitable sectors and publishes the *Canadian Directory to Foundations and Grants*.

**GuideStar** — [www.guidestar.org](http://www.guidestar.org). Free access to the tax returns of more than 850,000 U.S. nonprofits, including charitable foundations; often the best available information on small family foundations.

**National Network of Grantmakers** — [www.nng.org](http://www.nng.org). The progressive wing of the funding community. Members are interested in social change, human rights, economic and environmental justice, and so forth. Their NNG Grantmakers Directory lists more than 200 progressive funders.

**Council on Foundations** — [www.cof.org](http://www.cof.org). The mainstream professional association of grantmaking foundations and corporate giving programs. Funders interested in similar issues or constituencies work together to share information and develop common strategies. Thirty-seven COF affinity groups include the Neighborhood Funders Group, Native Americans in Philanthropy, Grantmakers Concerned with Immigrants and Refugees, and the Disability Funders Network.

**Environmental Grantmakers Association** — [www.ega.org](http://www.ega.org). An extensive network of funders that support conservation and environmental activism. Their website includes a brief but useful directory of environmental funders.

3. **Work through the names in your file.** *The Foundation 1000* and the *Foundation Reporter* have the most in-depth information, so look up your prospects in these directories first. If you can't locate a particular prospect, try *The Foundation Directory, Part 1* and *Part 2*. These books cover a lot more grantmakers, but in much less detail.

As you read through the entries, be aware of the following types of information:

- **Geographic restrictions.** Most funders limit their donations to groups working in certain cities, states, or regions. Does your group fit within their geographic boundaries?
- **Fields of interest.** These define the issues, subjects, and types of organizations grantors prefer to support. Broadly speaking, are they interested in the kind of work you do?
- **Grant size.** Do they offer an appropriate amount of money for your project? Too small is fine, since you can piece together multiple grants — unless you're trying to raise \$50,000 from funders who give \$1,000 grants. On the other hand, you're unlikely to raise \$2,000 from a foundation whose normal grants range from \$25,000 to \$200,000.
- **A recent list of grants.** Review the list, if one is available. Are any current grantees doing work that relates to, or overlaps with, the work of your organization?

If the answer to these questions is yes, you've identified a prospect. Write the appropriate information on a piece of paper or use a book mark to hold the page so you can photocopy it later. (Make sure to follow all applicable copyright laws.) Sooner or later you should check the foundation's website for current guidelines and annual report information, although this task can wait until you return to the office. If the foundation doesn't have a website, request this information via letter, e-mail, fax, or phone; more on this in the next section.

4. **Learn how to use FC Search.** Each Foundation Center cooperating collection has a copy of *FC Search*, which compiles all their directory information onto one CD-ROM. The librarian can teach you how to use the database. Expect to pay a small fee for every page you print, or buy a diskette from the librarian so you can save your results and take the information with you.

Since the data in the Foundation Center print directories is also on their CD, in principle one would not need to look at both. My experience has proved otherwise. You're likely to find information and leads in one format that you would overlook in the other.

Even if you go to the library without a list of leads, you can still identify lots of prospects, though the process will take a little longer. Grant directories and databases are generally indexed by the name of the foundation, the names of their officers and trustees, the geographic areas in

which they contribute, and the subjects, issues, and constituencies they fund. Review the subject index and find your program area(s). If, for example, your group helps Hispanic women to develop their own businesses, look for headings such as "women's issues," "minorities — Hispanic" and "entrepreneurship." Beyond that, it's simply a matter of reading the entries of each foundation listed in your subject and geographic areas and matching your programs with the interests of potential grantmakers.

If you choose to solicit help from your board and staff in developing relationships with foundation officers, the best resource is the *Guide to U.S. Foundations*, published by the Foundation Center. This massive directory lists the board

members of more than 58,000 foundations, and includes an alphabetical index of trustees by name.

Another good resource is *The Chronicle of Philanthropy*, which is published 24 times a year. Each

issue contains a feature called "New Grants," which you can use to identify new prospects and update your older foundation files. The publication also includes a regular "Deadlines" feature that describes current requests for proposals (RFPs) from a variety of foundation, corporate, and government grants programs.

## PHASE FOUR: STUDYING THE CURRENT GUIDELINES

Foundation directories and computer search tools are incredibly helpful, but they have two significant drawbacks: the information is necessarily brief and is often dated.

To complete your research, go straight to the source — the grantmakers themselves — and ask for three things:

YOUR **SUCCESS AT GETTING GRANTS** WILL BE BASED, IN PART, ON YOUR **ABILITY TO DIVIDE YOUR WORK** INTO SEPARATE **PROGRAMS AND PROJECTS**

DESPITE **THE SHEER VOLUME OF DATA**, KEEP IN MIND THAT THE **INTERNET IS NOT A COMPREHENSIVE SOURCE OF FREE GRANT INFORMATION.**

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- **Guidelines** — information about funding criteria and the application process
  - **Annual report** — the foundation's goals, programs, and accomplishments
  - **List of grantees** — which groups received funding (this is often included in the annual report)

If the funder has a website, you're likely to find the information online. If not, you'll need to ask directly with a query letter. This is a request for information, not money, and can be sent via e-mail or the postal service. As an alternative, you can request this information by phone (though I've always had better luck through the mail).

The query letter is your first contact with the funder and might spark the interest of foundation staff, so be sure to include a bit of background information on your work. In a paragraph or two, briefly outline your mission, programs, budget, and sources of revenue, including other foundation supporters. Then request the grantmaker's guidelines and annual report, including a list of recent grantees.

Read these materials carefully, especially noting

changes in deadlines, program focus, or grant amounts. Create prospect files for all promising grantmakers. Include their guidelines, annual reports, and any relevant research data you've gathered.

Now try to match your programs and projects with the funders' interests. Compare their language with yours: Do they describe the problem in a similar way? If not, can you use their language and feel comfortable with it? How

about their approach to social change: Do they emphasize the same strategies as your group? Do they focus on the same constituencies?

Based on a very careful review of the information, you're likely to eliminate half the prospective funders because you don't fit the guidelines. Don't feel bad. The ones that remain are good candidates and worth investigating further. **GFJ**

IT APPEARS THAT THE VAST  
**MAJORITY OF GRANTMAKERS  
DO NOT HAVE THEIR  
OWN WEBSITE.**

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