REVISED & UPDATED

THE ONLY GRANT-WRITING BOOK YOU'LL EVER NEED

Top Grant Writers and
Grant Givers Share Their Secrets

ELLEN KARSH & ARLEN SUE FOX

FIFTH EDITION

LESSON 2

WAIT A SECOND—WHAT IS A GRANT . . . AND WHERE DO I GET ONE?

OPENING REMARKS

A man called me to find out how he could get a federal grant to build a radio station in his basement to air his music collection. He was sure there was money out there. But he had no organization, no plan, no budget . . . no, no, no. There is a misconception about grants—that just because grants are available, everybody should apply for one. After all, who couldn't use the money? But the truth is that there are times when you really don't need money. You need volunteers; or student teachers, student lawyers, or student social workers; or donated computers or secondhand books. Or simply a friend to give you a hand in getting a job done. And even if you do need money, there are plenty of fine individuals, organizations, and ideas that have legitimate money needs that are not the least bit appropriate for any kind of grant at all. Sure, you may be able to raise cash through bake sales or raffles, through benefits or scholarships, through donations or gifts. But spend the time and energy to win a grant? Don't bother. —ASF

LEADING QUESTIONS

What Is a Grant?

A grant is an award of money that allows you to do very specific things, usually according to very specific guidelines that are spelled out in painstaking detail and to which you must respond very clearly in your grant proposal.

How Do I Know If I Need a Grant?

At first you may not even know if you need a grant. Before you let dollar signs start dancing in your head, you must have a problem that you (and your organization) want to solve, decide what you need to do to solve it, and figure out how much that might cost. You may work at the YMCA and feel that there is a serious opioid problem in your community that you would like to address through a weekend camping and drug prevention education program for teenagers at the Y. Maybe you're a pediatrician and have noticed a growing number of asthma cases among your preschool patients and want to find out why, or you're a third-grade teacher perplexed by bullying during the school day and you want to get expert help to change this climate. Or you may live on a street where all the trees died of Dutch elm disease and you want to plant new, more resistant ones. Or you want to make a film or compose a symphony or study abroad or write a biography. The question is: What do you have to do to get the results you want?

Some organizations have learned that chasing grants can take them away from their core mission or move an excellent program in the wrong direction (this is called "mission creep"). Funders have constantly reminded us that most successful programs and organizations are not grant driven, they are mission driven. In other words, they are not created, massaged, and manipulated to fit the precise guidelines of a grant that just happens to be available. Rather, you have strong, comprehensive, well-developed programs or plans that show you have made good use of all other available resources. If

money is needed to implement or supplement a well-designed program, that is where a grant comes in. But the program is the thing. The better designed the program is to address the need, and the more other funding you have raised or resources you have found to support it, the more likely you are to win grants. The same thing is true for individuals. Some people don't have a commitment to a topic for a film or book; they just have a commitment to getting a grant. But it has to be the other way around, of course.

When Money's Scarce, Aren't Grants Even More Important?

We won't lie to you. At the time of this writing, for various political and economic reasons, we are facing very uncertain times for grant seekers, to put it mildly. Although the economy has improved dramatically since the Great Recession of 2008, the intense debate on the federal budget and additional cuts and expected cuts at the federal level—aggravated in some cases by budget deficits at the state and local levels—have thrown a dark cloud over nonprofit and government service providers, researchers, businesses, and many others assisted by government funding. And, as we noted earlier, many economists (and grantmakers) are expressing concerns about the very real possibility of another recession.

Furthermore, also as noted earlier, cuts at the federal level are likely to lead to additional cuts in spending at all government levels because so much federal money flows through state and local agencies. This means less money for all kinds of projects, from the smallest to the largest.

We aren't trying to scare you; we just want you to think realistically and strategically about resources in coming years. If you're operating primarily with government or foundation grants, it's time to work on diversifying your funding plan to include other resources. We urge you to broaden your support through fundraising mechanisms such as appeals, events, sponsorships, social media, social

enterprises (which we discuss in Lesson 18), and even fees from participants if your target population can support small payments.

Most importantly, we believe that no matter how bad the funding climate is, there still will be opportunities for government grants and contracts. It's just that when money is scarce you need to be even more proactive in finding and winning funds to keep your programs going.

Grants and your mission. All fundraising should flow from and support your mission. Remember that it's one thing to do everything in your power to find grants to support your agency's programs; it's something else entirely to pursue grants that distract you from your core mission. If you provide services for senior citizens and then suddenly decide to apply for grants for preschoolers just because there's money available, you may dilute your organization's effectiveness—and raise questions in grantmakers' minds about your strategies.

If community needs are driving you to expand your services, you must do so in a thoughtful, systematic way—never losing sight of your mission. If you are a senior center and know that the community needs children's programs (which no other organization provides), you may think about creating intergenerational activities (bringing together children and seniors) that do not take you so far afield that funders question your ability to do what you say you're going to do. After you have successfully created and operated the intergenerational programs for a while, you may find it easier—and the grantmakers will find it more credible—to branch out into other activities for children.

THE FUNDERS

The federal government and state and local governments give grants (often in the form of contracts) that generally require paperwork, audits, and accountability. Private foundations and corporations give

grants. Individuals give grants, usually through a fund or trust set up for that purpose and administered by a bank or foundation.

In many areas of the country, a regional association of grantmakers (RAG) may publish a standard or common application form that grant seekers can use for all participating foundations in that area (many RAGs also publish a common report form). These forms incorporate headings that structure the way the proposal is written and the information that must be included. The forms differ a bit from area to area but are strikingly similar in content. All require the proposer to state a need, describe the program, present a rational budget, provide supporting materials that indicate the organization's capacity to implement the program, and document the organization's not-for-profit status. Each foundation may require additional information, and some no longer use such a form because it does not fit their needs.

Nevertheless, you should see if there is a common application form in use in your area and treat it as a guide or model for your proposals when a foundation you're interested in doesn't provide its own model. You can find common application forms online; a sample appears in Appendix 4.

Government grants are generally announced through requests for proposals (RFPs), notices of funding availability (NOFAs), funding opportunity announcements (FOAs), or other notices that specify the nature and cost of the program that must be proposed. Some government grants allow applicants a substantial amount of leeway to propose programs that address their organizations' specific needs; others are very prescriptive. All include guidelines, due dates, and so much required information that you will start to wonder why the grantmakers don't just write the proposal themselves.

Foundations, on the other hand, tend to be less prescriptive. Most foundations do not issue RFPs, although some large ones, like the Robert Wood Johnson Foundation, may do so (in this case labeled Calls for Proposals, or CFPs, that define the challenges it wants to

address). Others may publish requirements that are as specific as the RFP for any government grant.

Foundations

Foundations range in size from tiny family foundations with no staff (grant decisions are made by family members) and budgets under $100,000 to huge organizations that have dozens of professional staff members and give away millions each year. Foundations are an impressive and constantly growing source of funding. Between 2000 and 2015 (the latest available information), the number of foundations grew from 56,582 to 86,203, and giving increased from $27.56 billion to $62.8 billion. To tap into this resource, you must understand the differences among them. This will save you a good deal of time and energy in preparing proposals.

Family foundations. Family foundations often have narrowly focused giving patterns based on the intentions of the donor or the interests of current family members who are officers or trustees. Many do not accept unsolicited proposals, some because they are too small to review large numbers of proposals, others because their giving is earmarked for specific organizations.

Independent private foundations. This type of foundation usually has at least a small professional staff. It may have begun as a family foundation but is no longer controlled by the original donor or the donor's family. This does not mean that the donor's interests are ignored. Private foundations are ethically and, in most cases, legally bound to follow the donor's intent to the extent possible. If the terms of the original endowment or bequest said the money was to be used solely for organizations that train opera singers, that's what it is used for. The only discretion that the trustees have in making grants is, perhaps, selecting the best organizations to do the training. If the terms of the endowment are a bit broader—say, for health services for children from low-income families—many creative projects may be eligible for a grant.

Federated funds. Federated funds like the United Way were created to benefit the community by pooling donations from individuals and businesses and using those funds to support nonprofit organizations. Unlike independent and family foundations, which draw primarily on funds from a single donor or an endowment and do not seek funding from the public, federated funds maintain ongoing fundraising operations.

Corporate foundations. Corporate, or company-sponsored, foundations are independent entities created by large corporations with funds from the businesses themselves or from their founders. Most corporate foundations function like other foundations, receiving proposals and making grants, but their giving may be somewhat tied to the corporation's own goals. For example, a drug company's foundation may be established to fund medical research; a bank's foundation may fund community development.

Community foundations. In every state in the United States and in Puerto Rico, there are one or more (usually many more; the total tops 650) local foundations called community foundations, community trusts, or community funds. Community foundations have been set up to administer individual trust funds or pools of funds from individual donors who want to benefit their own city or region but don't want to create a new foundation. To determine whether there is a community foundation in your area, search "community foundation" and your city, county, or state; check with your local library; or go to a listing at the website of the Grantsmanship Center (discussed later in this lesson and in Appendix 5).

A community foundation or community trust probably includes funds set up by donors with very specific purposes in mind as well as others with more general purposes. Living donors to such foundations may be able to recommend which organizations should receive grants. Under regulations governing the establishment of donor-directed funds, the final determination must be made by the foundation, but most program officers try to accommodate the donors' wishes.

Financial institutions. Financial institutions always have administered charitable trusts set up for the donors' purposes; a trend toward this type of trust is growing. Proposals to a trust held at a financial institution often are made in the same way as proposals to foundations.

How do you find the right foundation? As noted, most foundations were established to give money to causes that were of interest to their original donors, which means that some give to very narrowly defined programs—for example, medical research on a particular disease; mental health services for teenagers affected by the Parkland, Florida, and other school shootings; or a visual arts program for senior citizens—while some give money to address a wide range of social, medical, or cultural issues. Some give primarily to support religious purposes; some will not consider giving for religious purposes. A few give to individuals; most do not. Some foundations give only within designated geographic areas; others give nationally or globally. There is a foundation for every purpose, and you have to find the right one for you.

There are two extraordinary resources for organizations seeking foundation grants: the Foundation Center and The Grantsmanship Center. Their focus differs slightly (e.g., the Foundation Center includes extensive services for foundations as well as for nonprofits while The Grantsmanship Center focuses on training and support for nonprofits), but both organizations provide a wealth of information, training, and other assistance online and on-site, some free, some for a fee. Although there is considerable overlap among the information and services you'll get from these organizations, it's worth learning what each provides; then use the one you find most useful for your needs.

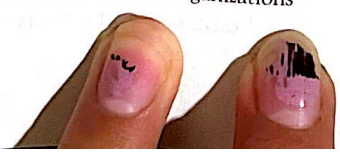
- ***Foundation Center.*** Your first stop is the Foundation Center, the older of the two resources. Its main hub is in New York City, with regional hubs in Atlanta, Cleveland, Washington, DC, and San Francisco, and with more than 450 Funding Information Network

sites in public libraries, community foundations, universities, and nonprofit organizations across the United States and in other countries.[3] There are at least two cooperating collections (usually more) in every state. These maintain Foundation Center publications and may provide free research capability even though the Foundation Center Online requires paid subscriptions for much of its content. There's a map at www.grantspace.org/Find-Us that will provide the location nearest you.

The Foundation Center provides information and other support to foundations, researchers in the field of philanthropy, and grant seekers, as well as training and tools to find resources and apply for grants. Every grant seeker should become familiar with its materials and tools. Most important are the Foundation Directory and the Foundation Directory Online (see notes in Appendix 5), but there are many other directories that describe foundations and corporations by location, program interests, size of grants given, and many other characteristics, as well as foundation annual reports. These references will let you identify grantmakers in your area, find out what kinds of activities they prefer to fund, determine the general dollar amounts of the grants they offer, define eligibility, and locate the addresses, telephone numbers, and names of appropriate contacts at the foundations. Your local library may be able to get these Foundation Center materials for you or may have other reference materials that will help you locate foundations in your city or region.

- ***The Grantsmanship Center.*** The other very valuable resource on grants is The Grantsmanship Center (TGCI), which provides

[3] The Foundation Center recently merged with Guidestar (an organization that provides potential donors with useful financial and other information about nonprofit organizations). The new nonprofit organization is called Candid, which will incorporate the functions of both. As we write, both of the original websites remain available, and we use those, but the new organization is working to create a single website incorporating information from both. Both of the original organizations and Candid now charge fees for most services.



can introduce you to other prospective funders. Also, if you are a new organization or program, this small amount of funding can be vital as seed money to show foundations and other funders that someone has confidence in you. As we will discuss later, funders like to give to programs that show some capacity; they want evidence that their grants will be well spent and that the organization is able to accomplish what the applicant promises.

So call and visit all your elected officials; follow them on Twitter, tweet them information on your programs, and invite them to events. Often their staff will attend, but they are the ones who will make funding recommendations so it pays to keep them informed. It may also be easier to get letters of support and/or commitment if they are already familiar with your work. In case you think we're exaggerating when we emphasize the need to call on your local elected officials for help, remember: It's their job. They care about improving the lives of their constituents. And when grant money pours into their communities, it can only be a plus for them.

Using the Internet

If you are one of the very few grant-seeking organizations that do not yet have Internet access, you'd better make this your highest priority. The cost is low and the benefits are significant to any organization, especially to the staff who need information to design programs and seek funding for them. Not only is grant information and exhaustive "best practices" information easily found online, but, increasingly, government and foundation grant applications must be submitted electronically. And there are search engines that will pay your organization (though only in pennies) to do your research on their site.

Moreover, if your organization doesn't have a website or access to social media, find a way to develop them. There are sites that allow you to create your own website and maintain it for very low monthly costs. Having your own website, Twitter account, and Facebook page

of questions about the availability of grants in your area—and just about anything else you want to know.

Publications and Newsletters

Many for-profit organizations sell newsletters and books providing information about federal grants. Some offer information on foundation and corporate grants as well. We have subscribed to or purchased these publications in the past but have found that our own online research produces results that are just as effective and as timely (or more so). However, some of them do discuss trends in government and foundation funding as well as current grant opportunities, so if you have a particular area of interest (such as youth funding or health care funding), you may want to try a free sample or even a year's subscription to one of these publications to see if it works for you. We prefer not to make any recommendations here, but we will say that some companies appear to do much more exhaustive research and seem to have more "insider information" about future funding prospects than others; we suggest you review them carefully before you subscribe.

You may want to check out a free publication online. *Philanthropy News Digest* (PND) is a Foundation Center newsletter (philanthropynewsdigest.org) that provides updates on trends and news in philanthropy and is searchable. PND also highlights an "RFP of the day" (and a "job of the day"), and it lets you sign up for alerts.

It's also a good idea to read the trade publications—magazines, newsletters, newspapers, professional journals, and blogs in your field of interest—so that your grant proposal reflects current trends and best practices. These publications may include lists of grant opportunities of interest to their readers.

Finding out what government and private grants are available is the easy part of the grant process. It shouldn't cost you a fortune, and it shouldn't take hours of your valuable time.

sponsorships for local organizations. Remember that each civic organization has its own priorities—children, seniors, people with visual impairments—and is more likely to be interested in helping you if the program you operate falls within its guidelines. If managers or board members of your organization join such civic associations, they may make important connections with business leaders in the community and promote the organization's programs. Don't expect any large gifts from businesses, at least to start, but do be prepared to use the proposal development methods that we describe in Part II.

Federal Grants

Like other grants, federal grants are made to accomplish some public purpose. The nature of the grant, the eligible recipients, the method of award, and the terms and conditions are specified in the legislation that creates each grant program and in detailed regulations that are either laid out in the statute or added by the funding agency. Some grants have relatively few restrictions while others are laden with significant limitations and extensive reporting requirements, based on the legislation. Nearly all the information you will need about the federal grants process, grant availability, and federal agencies' guidelines for applications is online at www.grants.gov, a site we'll describe briefly in Appendix 5.

Many not-for-profit organizations—and even local government agencies—are afraid of the work involved in obtaining (and reporting on) a federal grant.[4] But organizations that go to the trouble of researching and writing a winning federal proposal often find that the federal grant can offer substantial, stable, multiyear funding. Nonprofit organizations also gain credibility when applying for state, local, and foundation funding—as well as some breathing room in a multiyear grant to identify additional funding sources.

[4] Some years ago, one research effort demonstrated that federal proposals took more than 80 person-hours to prepare on average but that winning proposals took more than twice that amount of staff time.

puts the agency's name and work into a public space and gives you a certain level of credibility in this information age.

Appendix 5 describes some useful websites for finding grant opportunities; as noted earlier, the most important for you to explore are the Foundation Center Online (www.foundationcenter.org) and The Grantsmanship Center (https://www.tgci.com) for foundation research, and Grants.gov (http://www.grants.gov) for federal grants. Increasing numbers of state and local entities also are providing funding information online, but you often have to dig for it. The amount of information and ease of finding it varies from state to state. Some states have centralized sites that are easy to use. In others, if you dig a little deeper to specific agencies of interest (e.g., education, health, criminal justice), you will find many with their own funding sections that list their contacts and grant information. State and local agency sites also can be good sources for obtaining statistics and other information that you will need when writing your needs assessment (see Lesson 7).

Many community foundations, regional associations of grantmakers, and individual foundations have an online presence and are often rich with information that should be significant for grant seekers. For example, the Chicago Community Trust website offers "insights" into current issues in the region and nationally, and to philanthropy in general, through articles on a variety of topics and funding issues. It presents "stories" about work by its grantees and includes a listing of currently open requests for proposals by topic.

Some nonprofit "umbrella" organizations and other membership organizations that provide information and support (technical assistance) to nonprofits may conduct research on grant availability through routine daily searches. They will send out funding alerts to their members or subscribers in categories on which the recipients have expressed interest, such as youth or senior services. Ask at your library and other sources to see if a service like this is available in your area. And, of course, you can always ask google.com all

The 990s are available at the Foundation Center Online; as of this writing, you can find them for free.

It is helpful to know what kinds of organizations and projects each foundation *really* funds. For instance, a foundation may say that individuals and all types of not-for-profit organizations are eligible to apply for grants, but when you read its annual reports, you notice that this foundation has funded only medical schools—not their students—for the last five years. Another foundation may indicate in its guidelines that its average grants are between $100,000 and $200,000, so if your project will cost $350,000, you shouldn't expect to get it all from this foundation. If you ask for it anyway, do expect your request to irritate the grantmaker. And if you also notice in the annual report or the 990 that in the last three years this foundation hasn't actually funded anything for more than $50,000, far less than the minimum they specified, you probably should call to find out if they've changed their guidelines.

We should mention one foundation-initiated website that may be of interest; we'll discuss it a bit more in Appendix 5. Here we'll just note that the Center for Disaster Philanthropy has a website that may have information useful to organizations working to relieve communities that are struggling with the results of fires, hurricanes, and other natural disasters.

Although some foundations are interested in brand-new organizations and may even offer some technical assistance in preparing a proposal, most want to know that you know the ropes. Let the foundation see that you are aware of its work, that you have studied the annual report, that you have looked at the organizations and individuals that it has funded, and that you are making a careful decision to apply based on all your homework. Never be shy about letting the grantmaker see why you chose it and the amount of research you have completed to ensure that there are no holes in your proposal.

Businesses

Corporations and local businesses may fulfill their civic responsibilities through grants and sponsorships to nonprofit organizations.

Some states, and even some cities and counties, have an "e-grants" system in which you sign up via email and automatically receive notices in categories for which you've indicated an interest. However, in many places it may be harder to track down state and local grants information than it is for foundation or federal grants. Check with your library to see what reference sources are available, or begin to identify the state and local agencies that would be likely to fund your programs, and get in touch with the appropriate staff there (often you can be placed on a snail-mailing list for specific funding opportunities). In smaller states and municipalities this usually is fairly easy; it can take just a few phone calls. In larger states and cities, you may need to be very persistent in finding the right department.

State and local elected officials. Your local elected officials are an important resource for funding, and it's important that they know and respect your organization because they can help you find and obtain grants and because they themselves sometimes have small amounts of state or local funding to distribute at their discretion. Many elected officials have their own websites. If not, many localities publish listings of their names and addresses; again, your library will give you information on how to reach them.

Some state and local officials send out periodic grant listings. For example, the New York State Assembly leader publishes *Grants Action News* monthly, as a mailing and online (www.assembly.state.ny.us/gan); this publication describes current and recent New York State agency grants as well as some federal and foundation opportunities. Virtually all elected officials do mailings, so make sure you are on their mailing and/or email lists and read the mailings to see what committees your officials are on, what causes they are interested in, and sometimes the groups for which they have provided funding.

Funding from state and local elected officials probably will be relatively small, but every bit of funding can help, and if your local council member or state senator likes your organization, such an official

technical assistance and training to nonprofit organizations. Most of its extensive training and subscription services now require fees that can be substantial, but at least one of the most useful sections of its website, a map that lets you search for funders by state, is still free (Appendix 5). Based in Los Angeles, TGCI offers training programs in many locations across the country, including a five-day workshop on finding and preparing grant proposals. Other two- to five-day workshops teach proposal preparation for research grants, preparing federal proposals, nonprofit management topics, and more. The center publishes materials on grants (including its own excellent *Program Planning & Proposal Writing* guide) as well as on grants administration and other topics useful to managing and supporting nonprofit organizations.

Approaching foundations. Before you submit a proposal to a foundation, you would be very wise to check its website (if there is one; many foundations are not online) or call or write for its annual report, grant application form or guidelines (if it has any), descriptions of programs it has funded recently, and any other information you can get. (Most, if not all, of this should be online through one source or another.) Your proposal is likely to be rejected automatically if it doesn't meet the recipient's guidelines. *Much* more about this later. Oh, and by the way, when you're checking out the foundation's guidelines, you would be wise to make a note of the current contact person's name, email address, and phone number, and find out whether the foundation wants you to contact it by mail, phone, or email. As you'll hear again and again from the funders we interviewed, they get annoyed when you send requests to their predecessors!

Foundations, like all 501(c)(3) organizations, are required to submit tax returns called 990s, which almost always include a list of organizations the foundation has funded during that tax year and the amounts of money given to each. Some foundations, although not all, include the particular program for which each grant was given.

We should note the federal government probably will continue a trend toward devolution that has increased in recent years: pushing funding out to state agencies, and sometimes to major cities, that it used to award directly to nonprofit organizations or local government agencies. Governments must still apply for such funding, but nonprofits will have to keep track of it and apply through their own states, cities, and school districts. Nevertheless, despite this process and despite our own concerns about the climate for federal funding in the next few years, we urge you to be alert to the possibility of appropriate federal grants in your overall fundraising plan.

It is important to get your hands on any grant information as early as possible to give you the maximum time needed to develop a proposal. Appendix 5 describes websites for the most important federal funding sources.

Elected officials. If you are pursuing federal grants, you also should visit the local office of your congressional representative and senators. Their staff have access to grant information and many will be happy to put you on a mailing or email list so they can send you this information. You also will want their support when you apply for a federal grant, so invite them to visit your organization and its programs and put them on your own mailing lists.

State and Local Government Grants

Some cities make grant information available free of charge to residents through a municipal library, government office, or other public information center. School systems may provide such grant information to staff, parents, and students. Large not-for-profit organizations are sometimes willing to share funding information with smaller ones, especially if they need to form partnerships to win grants. Not knowing what grants were available used to be a legitimate excuse for an organization or an agency that didn't seek funding. This is no longer true; the information is out there. And it is usually cost-free or close to it. It is developing the grant proposal that is now most challenging, not finding the grant opportunities.

Keep in mind that in a bad economy, many businesses may cut back on their giving. But when they can help, there is tremendous diversity in the amount and type of support that corporations offer. National corporations may give only or predominantly to national organizations, or they may give only in the cities where they have their business offices or factories. Some give to organizations supported by their own employees. A corner drugstore may sponsor the Little League team from a three-block area—which might mean buying T-shirts with the team's name (and the drugstore's logo). Businesses may give only to major cultural institutions, universities, hospitals, or other large organizations with a strong fundraising track record, or they may be interested in supporting small local groups in a specific region. Their decisions may be made by top management, a marketing department, their own internal giving offices, corporate philanthropy or corporate responsibility departments, or independent foundations.

Although philanthropy is important for its own sake to many corporations, it is usually tied to business concerns as well. If you can show how a grant to your organization will bring broad recognition or publicity to the donor, even the most public-spirited company will be pleased.

Business donors or sponsors are often a good place for a small organization to begin seeking funding and establishing a track record in using these gifts—and your board members should be involved in this effort. Start with your local bank branch. Ask the manager if the bank provides assistance to a group like yours and what you have to do to apply for it. Call every major business located in your community to see if the company has a giving program. If you know a business leader well, ask for suggestions about where to go for help. When you are ready to go to a major corporation, you can find lists of companies near you at the Foundation Center or Grantsmanship Center website.

Local civic associations, such as the Chamber of Commerce, Lions Club, Rotary, and Kiwanis, often have giving programs or provide