

# WEBINAR - FUNDRAISING ESSENTIALS: WORKING WITH FOUNDATIONS

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# WEBINAR SUBTEXT

***“DEMYSTIFYING***

***FOUNDATIONS”***

# Webinar Objectives

- Better Acquaint Participants with Consultant
- DeBunk the Generic “Foundation”
- Comment on Current Economic Climate & Funding Implications
- Identify Key Requisites for Proposals
- Respond to Questions

# Who Am I?

- Currently the President/Trustee of a Family Foundation based in Columbus, IN
- Family Foundation is in the early stages of development with 501(c)(3) status, mission, immediate family as Board, and very small pool of resources
- Foundation is a member of the Council on Foundations and Grantmakers for Children, Youth & Families
- Recently completed the “Non-Profit Management Institute” held at Stanford University

# Who Am I? (Cont'd)

- Over 35 years of experience in the public and non-profit sector (including both the grant writing and grant making sides)
- Currently serve on several local, state and national Boards
- Retired in 2006 after 25 years of service with Cummins Inc.
- While at Cummins, over 18 years of tenure (not consecutively) with The Cummins Foundation
- Most recent position as the Foundation's Associate Director with operational and grant portfolio management for North American communities and national grants

# Prep Credits

- Personal Interviews with:
  - The Cummins Foundation
  - The Heritage Fund of Bartholomew County
  - GCYF in Washington, DC area
- Research, Data & Surveys from:
  - GCYF
  - The Foundation Center
  - Guidestar
  - COF

# Foundations

- We tend to use the term “Foundations” generically, but no two Foundations are alike.
- Areas of Commonality
  - Non-profit, 501 (c)(3) organization
  - “Do Good”
  - Mission-driven
  - Board of Trustees
  - Corpus of Funds
  - Grantmaking Guidelines (RFPs vs Cycles)
  - Administrative vs. Board authority

# Foundation Types

- For purposes of this webinar will focus on :
  - Corporate
  - Community
  - Independent/Private
  - Family

# Corporate Foundation (Cummins, GE, Lilly, Wal-Mart, AT&T)

- Funds are donated to a foundation based on company's profitability (Up to 10% is tax deductible based on domestic pre-tax profits)
- Professional staff are in place
- Business focused with stakeholders in mind (employees and shareholders)
- ROI
- Board is typically comprised of company leaders (both internal Management & Board) and other prominent national figures with past or present connection to company

# Community Foundations (Quite Prolific in 80's Throughout Indiana)

- Funding comes from the community
- Professional staff are in place
- Geographically focused
- Board is comprised of community representatives (e.g. Chamber, UW, local government, Businesses, Citizens-at-large, schools, health-care)
- More “user friendly”

# Independent/Private Foundations (Rockefeller, Lumina, Ford, Lilly, RWJ)

- Corpus of funding is result of a major gift of cash and/or stock with an investment portfolio (endowments); origins in some instances with family connections
- Minimum annual payout = 5% of assets
- Professional staff in place
- Board includes “thought leaders” in the field and prominent national/ international figures

# Family Foundations

## (PeyBack, Gates, ISMF, DeHahn)

- Funding comes from the family's generosity and/or assets
- Staff may be family members and/or professional staff
- Funding is driven by the family's interests (individually or collectively)
- Board is comprised primarily of family members
- Family members tend to be more hands-on (especially younger generations)

# Current Funding Climate

- The current recession and overall economic climate have had an impact (albeit varying degrees) on practically every Foundation regardless of its type.
  - When corporations are not profitable, their Foundations and corporate giving programs suffer.
  - When the stock market takes a hit, the portfolios especially of the Family, Community and Independent Foundations take a hit as well.
  - Bottom Line: This means LESS Money to Donate!

# Current Climate (Cont'd)

- According to the Foundation Center's September, 2009 survey:
  - 2009 giving will decrease from roughly 8% to 13% which is steeper than beginning year projections
  - Indicators point to a continued reduction in foundation giving in 2010
  - Grantmakers expect that philanthropy will become more strategic (issue-focused/collaborative)
  - Most funders expect the non-profit community to emerge stronger and with fewer organizations

# Current Climate (Cont'd)

- GCYF's Spring survey of its membership indicated that:
  - Fewer/Smaller Grants (62% of respondents)
  - Fewer multi-years
  - Continued decrease through 2011
  - More outcomes driven and evidence-based results

# Current Climate (Cont'd)

- Guidestar survey respondents reported for the period March – May 2009 that:
  - 36 % = amounts awarded decreased
  - 39% = amounts of awards stayed the same
  - 20% = cutback on program types funded

# Grantseeking Do's

- Do's (The New R's)
  - Research
  - Relationships
  - Realistic Request
  - Results

# What To Do

- Research
  - Mission alignment
  - Annual reports
  - Giving history/trends/practices
  - Grant Application Guidelines
- Relationships
  - Board connections
  - Community connections
  - E-mails/Calls/Appointments/Site Visits (Program Officers = trust, middle person, account managers)

# What To Do

- Realistic Requests
  - How Much?
  - For What?
  - How Long?
- Results
  - What difference will it make?
  - What will it leverage?

# The Grant Proposal

- Cover/Introductory Letter
- Organization Profile
- Description of the Project/Program
- Proposed Budget
- Anticipated Outcomes/Results
- List of Key Staff
- Board of Directors/Officers Roster
- List of Other Funders (Current/Pending)

# Inside the Program Officer's Head

- Initial Scanning – Cold Call Proposals
  - What is the name of organization?
  - Who signed the letter?
  - Why was it sent? (stakeholder connection)
  - Does it fit with mission?
  - Is there a reason to follow-up?
  - If I turn this down, will it come back to haunt me?

# More of the Head Game

- Credibility – Is the organization a reliable and reputable organization?
- Capability – Are the people running the program worth investing in? Can they get the job done?
- Feasibility – Can the project be done? Can it be sustained?
- Importance – Should it be done? Is it the right one to support at this time given the mix of funding opportunities?

# Grantmaking Don't's

- Mass produce proposals (quality vs. quantity)
- Overwhelm the Donor (too many materials; available upon requests)
- Inflate the budget (the numbers should not lie)
- Imply urgency (patience is key; crisis management is a turn-off)
- Forget to show appreciation & thanks (donor recognition)

# Grants - Approvals

- When a grant award is approved, your work is not done; it is just beginning.
  - Make sure the award letter clearly outlines the terms/conditions of the grant
  - Maintain regular communications with the Program Officer – No surprises!
  - Meet all deliverables as agreed
  - Do not take the funder for granted

# Grants - Turndowns

- If you're in this business, every one will get one at some point.
  - Do Not take personally.
  - Learn from the process.
  - Continue to look for ways to improve.
  - Keep Trying!