



## FUNDING ADVICE NEWSLETTER

Dear Friends

So far, we have provided a lot of information on statutory funding (ie. from the EU, governments at national and local level). Some of you however have asked for information on institutional funding, ie. funding from foundations and corporations. So this month, we will take a look at how best to approach foundations for funding. Corporate funding and sponsorship will be covered in next month's issue.

When it comes to foundations, most of us are familiar with the big, well-known foundations like the Soros and Ford foundations. But there are many thousands of other family, special purpose, corporate and community foundations as well. If the thought of applying for a foundation grant is intimidating, you are not alone. But when you think about it, foundations or charitable trusts exist to give away money, so why not to *your* project or organization?

There are three ways in which foundations may target their funding:

### **1. By Geography**

Almost 80% of foundations have giving guidelines that restrict their contributions to a certain region, city or country. So from a fundraising point of view, you would be wise to concentrate your efforts on local foundations in your country or even, in your city or region.

### **2. By Subject**

Most foundations choose to focus their donations on a specific area such as education, health, children or the environment to advance the interests stated in their charter. Some may even only support a particular illness or specify the age range of the children they want to help.

### **3. By Type of Support**

Check the type of support the prospect foundation will consider. This information will be invaluable in helping you to frame your funding request. Examples of the types of support given include:

1. General operating support (unrestricted grants that can be used to cover any non-profit expenses)
2. Project/programme support (restricted to fund a specific activity)
3. Capital purchases (funds building projects or buying of computer equipment and other durable goods)
4. Non-cash / In-kind (gifts such as equipment or the use of their facilities)

The majority of foundations or charitable trusts make grants for specific projects or activities. Few foundations will give grants for the daily running costs of your Association, although if you are requesting support for a specific project, costs such as rent, telephone, salaries and equipment which your Association would incur can be included as part of the total amount you are requesting.

*So let's begin....*



## **Step 1 : The Research**

### **A. Information Sources**

#### ***Foundation Directories***

Go to your local library and look at the information provided in foundation directories for your country. Some of these directories are listed in Annex 1 of this Newsletter.

The European Foundation Center based in Brussels also produces a wide range of directories on different subjects (eg. Youth Funding in Europe, Mediterranean Funding, European Grants Index, etc). These directories cost between €30-€45 and can be ordered directly on their website [www.efc.be](http://www.efc.be).

- ***Government Agency / National Associations of Foundations in your Country***

It is worth checking with government agency responsible for non-profits or the national association of foundations (if one exists) in your country to ask for a list of foundations. A list of these national associations is provided for your reference in Annex 2.

- ***Internet***

Browsing the Internet is the most commonly used form of research. The accessibility and the quality of information available makes the Internet a wonderful tool but the challenge is to stay focused on what you're looking for.

For a general search on foundations, you can use searchwords like foundation / trust / etc. Once you have a list of foundation prospects however, the Internet is a very useful way to get updated information about a specific foundation and its giving profile as well as to check on application deadlines and procedures.

- ***Direct contact***

Finally, if you cannot find information on a foundation at the library or on the Internet, write to them directly to ask for information.

### **B. Organise your Research**

As you begin your research to draw up a list of foundation prospects, try to simplify your search by using the following 4 steps:

1. Create an initial list of foundation prospects by limiting yourself *geographically*. Look at directories that list grants made to non-profit organizations in your city/country. (Try looking at the *Geographical Index* of the directory) .
2. Then narrow the list down by looking under the *Subject Index* for foundations that give to projects or organizations like yours .



3. Now further narrow this list when you look at the detailed giving information of each of the foundation prospects on your list. Check that the foundation's grant amounts coincide with the amount you are requesting (if you need € 50.000 and you apply to a foundation that makes grants not exceeding € 5.000, then you will probably have to raise the € 5.000 there and the rest elsewhere)
4. Finally organize your research; fill out a *Foundation Prospect Profile Sheet* (see below) for each foundation whose priorities match your project.

*Foundation Prospect Sheet*

*Name of Foundation*

*Address*

*Phone, Fax, Email*

*Contact Person*

*Giving History (To whom, How much, When)*

### C. Some Research Tips

As you are doing your research and go through the prospect foundation's sample grants history, you are likely to come across grant recipients in your field whom you know about. Seeing what they have raised money for in the past can inspire your thoughts on how your organization can approach the same foundation for support.

Names of the key employees, officers or the full board of directors of the Foundation are usually provided. You should always scan this information for links between your organization and the foundation. A personal contact is always worth discovering and should be used. It won't guarantee you a grant but it can usually cut through layers of bureaucracy and ensure that your case will be heard.



## **Step 2: The Application**

The *first* thing to do is to consult the **Application Guidelines** of the foundation. Does it require:

? **Standard Application Form (SAP) ?**

*The SAP is fairly straightforward - make a photocopy of the form and fill it in to decide where you should include the different pieces of information. Follow all the rules and only fill in the original form when you are sure where to put in all the information. Do not make too many untidy corrections on the original form.*

? **BRIEF Letter of Enquiry?**

*Use your letterhead to write a proposal no more than 2-3 pages. usually, if it is successful, a formal application will be requested.*

? **FULL Project Proposal ?**

*This will be a full proposal of maximum 30 pages in length. Try not to overwrite your proposal as this may look like you have not thought your project through enough.*

Generally speaking applications or proposals will require:

1. *Cover Letter*
2. *Project Proposal*

**A. The Cover Letter (1 page) should include:**

1. The purpose of the work (ie. *who it will help and how, what is distinctive about it, what will be achieved if a grant is given*)
2. Brief description of the organisation
3. A brief budget of the Project - ask for a specific sum of money. If necessary, say that you are seeking a contribution of Euros XXX towards a total budget of Euros YYY. Also mention other support already pledged.
4. Do not forget to include your contact details - name, address and phone number.

**B. The Project Proposal should include:**

1. **Contact Details of**
  - a) organisation (name, address, etc)
  - b) person in-charge of the project (name, contact details)
2. **Qualifications of Applicant** - describes the applicant organisation and its qualifications to carry out the projects - do you have the capacity/ability to do it?; have you done it before?; etc)



3. Project description - be concise and include information on :

<b>Goals / Objectives</b>	<i>(SMART Objectives - ie. Specific, Measurable, Achievable, Realistic/Relevant, Timetabled)</i>
<b>Themes &amp; sub-themes</b>	<i>Does it fit in with the Funders' priorities</i>
<b>Working Methods</b>	<i>Describes the activities to be conducted to achieve the objectives - be <b>INNOVATIVE!</b></i>
<b>Timetable and Programme</b>	<i>Be as specific as possible</i>
<b>Languages to be Used</b>	<i>Translation / Translator needs (if applicable)</i>
<b>Circulation, Readership</b>	<i><u>Only</u> for publications: no. of copies, target audience</i>
<b>Evaluation</b>	<i>Presents a plan for determining the degree to which objectives are met and outcomes of the grant in measurable terms - any multiplier effects??</i>

4. Budget

a) Budget Summary

b) Detailed Budget (include participants, staff, travel costs, equipment, overhead costs eg. rent, telephone, postage and accounting services, printing and distribution of project materials, etc)

5. Needs Statement

*Describes clearly the needs to be fulfilled and other support already pledged (in cash or in kind)*

6. Future Funding  
(if applicable)

Describes a plan for continuation beyond the grant

7. Appended Information  
(if requested)

Don't overload the application with attachments.

Remember, any application or letter should:

Be written in a simple style that is readily understandable.

Avoid unnecessary technical terms that the reader may not understand and are specific to Girl Guiding / Girl Scouting eg. triennium, patrols, Rangers - instead say every three years, groups, adult leaders, etc

Be addressed to a specific person (Avoid "Dear Sir/Madam" or "To whom it may concern")

**Before Sending out the Application**

Check that you are clear about:

1. What you asked for
2. Why you asked for it
3. Ability/Capacity of your organisation to carry out the project
4. How much the project will cost



5. Value to the community or how it **fulfils the priorities/objectives** of the Funder *eg. don't just say that you are going to do a camp - if your Funder's priority is Environment, show in the programme how you are going to have activities based on the environment (make solar-powered project, recycling areas, etc), have workshops and debates on the environment, use "green" materials, etc*
6. Why it **stands out** - must explain why your project is **innovative**, "special" from others
7. What the project will achieve in measurable terms - **multiplier effect**
8. Evaluate your project
  - A. Internally - look at your project with a critical eye
  - B. Externally - ask someone unfamiliar with your work to read it!

#### **Step 4 : THE WAITING GAME**

Once your project application has been sent, wait actively. What does this mean?

- Call the funder to ensure that they received the application
- Practise introduction and presentation
- Be aware of the weak points of the proposal
- Brainstorm the possible questions
- Know exactly what you want and what you are asking for

#### **Step 5: THE RESULT: SUCCESS OR REJECTION**

***If your application is successful :***

Congratulations! Send a thank you note to acknowledge the cheque and ensure that any reports and documents are sent on time and in a professional manner. Comply with any requirements that are requested.

Most importantly, cultivate the donor foundation and send them information on your organization and project on a regular basis. Whatever you do, do not just take the money, disappear or ignore them till the next time you need to make a grant application!

***If your application is rejected:***

Call and ask WHY if an explanation is not given. Sometimes, it is possible to re-design a project proposal and re-submit it for a future deadline. Re-look your project and learn lessons for next time. Remember that foundations always receive more applications than they can support.

#### **Some Final Advice**

***"Gift Givers to Social Entrepreneurs"***

It is worth noting that increasingly, foundations are moving from Gift Givers to Social Entrepreneurs. What does this mean?



In the old model, funders would simply fulfil a broad mission of the original founder eg, "To improve the lives of children in this country". Simply put, they would write cheques in response to nice letters they received and have no further contact.

In the new model, foundations establish a list of priorities which applicants have to fulfil. Some foundations even change their list of priorities every few years, targeting different areas of giving as their interests change as well. Some foundations may wish to be involved in the project, sometimes even providing some form of hands-on expertise or advice. Others may simply require a follow-up report on how the money was spent and what was the outcome of the project.

So, look at the priorities of the foundation that you are applying to. Try to establish a WIN-WIN partnership for your project in which you help each other to achieve the objectives of your Association and fulfil the priorities of your funder at the same time.

#### ***"Big Foundations vs Small Family Foundations"***

Bigger foundations with paid personnel usually have more rigid guidelines and programmes that are restricted to the subjects that advance the interests stated in their charter. Decisions are usually made by boards that meet only a few times a year.

Dealing with small family foundations can be similar to approaching wealthy individual donors. Often run by the donors that fund them, such foundations can be more flexible in their funding decisions and less bureaucratic than large foundations with paid personnel, which usually have more rigid guidelines and are often harder to gain access to.

In view of this, it would probably be easier to make strong contacts and develop a relationship with a smaller foundation, which would probably give you a better chance to get a positive response to your project.

#### **Conclusion**

It can only be to our benefit to work with each other and to learn from one another's perspectives, mistakes and successes. So do share your experiences in fundraising or indicate the areas of funding that would be of interest to you. All comments, enquiries or suggestions are welcome and should be sent to :

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Good luck and I hope to hear from you soon!

*Coming up next month ..... Funding Advice – Corporate Funding and Sponsorships*