

MID-JUNE 2007

Giving Foundations What They Want



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A service of the Corporation for National and Community Service - Resource and Fund Development Initiative

Dear "Give 'em what they want" Colleague,

We are responding to a request by readers to focus an issue of on the go eTA on foundations.

According to 2006 Giving USA, private foundations give only 12% of all U.S. charitable support to nonprofits. Competition for foundation funding remains fierce especially since the primary mission of private foundations is to give away money. Prior to joining the proposal frenzy, it may be useful to understand how the foundation community intersects with your program needs. Use these tips by clicking on the titles on the right.

[Is Foundation Funding Right for Your Program Need?](#)

[Foundation Distinctions](#)

["Give 'Em What They Want "](#)

Do you have questions about proposals and foundations? Contact us through LEADline@CampaignConsultation.com Access previous issues of On-the-Go eTA by clicking on the title at the right.

Let us know

Do you have insights to share about proposals and foundations?

Contact us at LEADline@CampaignConsultation.com (LEADline is sponsored by the Corporation for National and Community Service through its Resource & Fund Development Initiative.) We would be happy to answer questions or to give you more support.

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Is Foundation Funding Right for Your Program Need?

Before you send a proposal, determine if foundation support is right for your program need. A self-directed learning tool has been developed as a GIZMO (Giving Information for Zooming Money Objectives) for CNCS called the "Sources of Giving". Many colleagues are using the wall chart to help volunteer fundraising leaders understand the pluses and minuses of the myriad sources of contributions and then applying that information to the most appropriate fundraising methodology – i.e., direct mail, special events, foundations, etc. The advantages and challenges of private foundation funding are shown below.

Foundation Funding Advantages	Foundation Funding Challenges
<ul style="list-style-type: none"> • Great seed support for new ventures • Sometimes willing to take a risk and support controversial projects. • Can give big money for little expense ... a low cost-to-dollar raised ratio. • Often support pilot projects to fund. • Serve as an additional source of restricted support. • Involves very few people to solicit support. 	<ul style="list-style-type: none"> • Represent only 12% of total U.S charitable support. • Giving fluctuates based on investments rising in bull market or falling when market is poor. • Finite giving term of only 2-3 years... grantee must demonstrate ability to support project after funding cycle ends. • Can be trendy in their giving. • Rarely fund operating or unrestricted support. • Measurable results are key in which they can share in taking credit. • Organization must demonstrate other diverse sources of support.

Share Square

Many wealthy individuals give through family foundations. Your fundraising volunteers can help you cultivate a member of a private foundation who, with their buy-in, may advocate for your proposal.

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Foundations Distinctions

Read the following foundation descriptions to assist you in researching and soliciting the appropriate foundation for your program need.

Private foundations

Private foundations exist to give away money. They are required to distribute at least 5% of the average market value of their investment assets in every fiscal year by the end of the following year. Private foundations receive most funds from one source, usually an individual or a family. Think Carnegie or Ford.

Public foundations

Public foundations are nongovernmental public charities that operate grants programs benefiting unrelated organizations or individuals as one of its primary purposes. Increasingly, public foundations are being established to receive funds and make grants for populations with special needs, for specific subject areas, or around other non-geographic communities of interest. Think community foundations.

Operating Foundations

Operating Foundations exist to support one cause or organization only and are not open to receiving proposals. They are basically the fundraising arm of an organization. Think Fund for Educational Excellence which supports public school system, or a university foundation such as the Georgia Tech Foundation, Inc.

For more information on any of these foundations, use Form 990-PF for valuable information on grant giving, grant receiving, finances, board members, etc. The Form 990-PF is available to view for free at www.guidestar.org.

Corporate Foundations

Companies are not required to give away any funds. Corporations may create a separate foundation out of a one-time company gift or they may continue to support the foundation through multiple gifts. A company-sponsored foundation is subject to the same IRS rules as a private foundation and has its own governing board of trustees.

“I resolved to stop accumulating and begin the infinitely more serious and difficult task of wise distribution.”

Andrew Carnegie, American philanthropist, 1835-1919.

Give 'Em What They Want

Once you've decided that foundation funding is appropriate for your program need and you've selected the type of foundation to research, give foundations the information they require in the format they request.

Some private foundations, especially small family foundations, will require only a letter stating the amount you need and how you intend to use the money. Almost all foundations designate a certain time of year when they accept proposals and will tell you when you can expect to hear from them. Other foundations present detailed instructions, such as how many pages to include in your narrative, what supporting documentation is required, how many proposal copies to submit, etc. **Read the guidelines very carefully and follow them exactly to remain competitive and have your proposal continue along the consideration process.**

Foundation leaders also appreciate relationship and prior, personal knowledge of a potential grantee. If you anticipate that you may be soliciting a private foundation, place their address on your newsletter, e-bulletin, etc. mailing lists. Put yourself in their path and become acquainted by attending meetings, receptions, fundraisers, etc. where foundation leaders may be present. Offer your subject expertise as an information resource to foundation program officers to make their work easier on other grants. Request the advice and help of your volunteer fundraising leaders and their relationships with foundation executives to intercede on your program's behalf.

[Click here to download a sample Common Grant Application Form](#) from the National Network of Grantmakers. You can also research what foundations fund and how they match up with your program needs through The Foundation Center at **www.foundationcenter.org**, usually free of charge at regional libraries. In addition, Campaign Consultation will research select foundations free of charge through **LEADline@CampaignConsultation.com**

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Let us know

Do you have insights to share about brochures, newsletters and websites?

Contact us at **LEADline@CampaignConsultation.com** (LEADline is sponsored by the Corporation for National and Community Service through its Resource & Fund Development Initiative.) We would be happy to answer questions or to give you more support.

Thank you for your interest in On-The-Go eTA, a service of Campaign Consultation, Inc., a national provider of training and technical assistance for the Resource & Fund Development Initiative of the Corporation for National and Community Service. We encourage you to **send this and other issues of OTG eTA to friends and colleagues** who would benefit from the information. Also, if you're on information-overload, you may request **email removal**. Otherwise OTG e-TA will be back soon with another edition.

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Details from above:

Resources

The National ASK (Awareness, Skills, Knowledge) to Sustain Institute, sponsored by Corporation for National and Community Service, provided by Campaign Consultation, Inc. 1998, 2002

Resources Now! National Institute, sponsored by Corporation for National and Community Service, provided by Campaign Consultation, Inc. 2005-07

The Foundation Center, <http://foundationcenter.org>

Council on Foundations www.cof.org

The Grantsmanship Center, www.tgci.com

GrantStation, www.granstation.com

GrantSmart <http://grantsmart.org>

Guidestar, www.guidestar.org

How to Write Knockout Proposals, Joel Orosz, 2004.

Sources of Giving, a CNCS GIZMO, LEADline@CampaignConsultation.com

University of North Carolina at Chapel Hill Writing Center <http://www.unc.edu/depts/wcweb>

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Learning Products and Services

LEADline:

(Learning Experiences At a Distance) LEADline is designed to give information fast. Have a resource & fund development question? Use LEADline and within 24 hours you will receive response and advice from

a fundraising professional.

Contact us

LEADline@CampaignConsultation.com

GIZMOs:

: (*Giving Information for Zooming Money Objectives*) GIZMOS are resource and fund development tools for you and your volunteers. They are tangible products in packets, pocket brochures, CD-Roms, games, etc. They feature a myriad of fundraising topics such as The Power of Direct Mail, an interactive cd-rom and detailed companion booklet on developing your direct mail program. To order, contact us through **LEADline@CampaignConsultation.com** or call 410.243.7979 or toll free at 1.877.243.2253

The Chronicle of Philanthropy:

Everyone who comes to a Resources Now! National Institute gets a free subscription to the Chronicle for a year. Participants in CNCS Campaign Consultation workshops receive the latest issue free of charge plus a \$20 discount on one year's subscription.

Workshops/Clinics:

The Corporation for National and Community Service (CNCS), through its T/TA service provider Campaign Consultation, Inc., offers a three-hour workshops and clinics for those interested in mastering key skills need to write for individual donors.

Online Courses/Webinars:

Web course delivery of topics pertinent to resource development such as — **Build Fundraising Volunteer Champions** and **Cause Related Marketing and Corporate Partnerships**. Available through the Resource Center at <http://nationalserviceresources.org/> **[Click Here](#)**

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- **[May 2007 Postage and Mailing Rates](#)**
- **[Mid-April 2007 Phonathons and Thankathons](#)**
- **[April 2007 Annual Fund Mailing Lists](#)**
- **[Mid-March 2007 Face-to-Face Asking](#)**
- **[March 2007 Government Funding](#)**
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