

Understanding and Leveraging Different types of Funders

Identifying Funding Opportunities

Learning Objectives

- Explore various funding sources and how to evaluate them.
- Private foundations, family foundations, and government/federal agencies.
- Finding opportunities, fitting them to your nonprofit's capacity, and making go/no-go decisions.
- Understanding funders' expectations leads to more targeted proposals and higher success rates.

Different Types of Funding - General Operating

- Often created by individuals, corporations, or endowments
- Frequently have clear guidelines and application cycles
- May focus on awarding grants for specific issues like education, healthcare, or arts
- Provide programmatic or operating support based on mission fit
- Can offer multi-year or one-time grants



Family Foundations

- Typically led by family members with personal involvement
- Often influenced by the founder's values and legacy
- May have flexible or informal application processes
- Relationship-building and personal connections can be key
- Provide smaller grants but may renew funding over multiple years



Government/Federal Funding

- Offered by agencies like USDA, Department of Energy, or EPA
- Requires formal applications with strict deadlines and formats
- Includes rigorous compliance and audit requirements
- Often covers large-scale initiatives or multi-year projects
- Involves detailed reporting and measurable outcomes
- Subject to change in administrations and their priorities



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Reflection Slide

Prompt: Consider the immediate needs or strategic goals of your organization and which type of funder might be the best fit.

- Which funder type (private, family, or government) seems most compatible with your goals?
- What unique challenges or advantages do you foresee with this choice?
- Who on your team can help you prepare a strong proposal for your choice of funder?

Understanding Funder Priorities & Focus Areas

- Look for clear alignment between nonprofit work and funder goals
 - Consider mission and previously funded initiatives
- Focus on serving specific populations, geographic regions, or issues
- Consider whether their funds support programs, general operations, or capital projects
- Review their grantmaking history to understand preferences
- Monitor emerging trends or shifts in philanthropic interests
- Utilize data and other technical tools
 - We will explore further in our Data and AI modules

Typical Grant Requirements & Guidelines

ESSENTIAL GRANT PROPOSAL REQUIREMENTS

REQUIRED DOCUMENTATION

- IRS Determination Letter
- Financial Reports/Statements
- Program Goals Narrative
- Project Budget Breakdown
- Evaluation Plan
- Organizational Capacity Statement

FUNDER EXPECTATIONS

- ✓ Regular reporting on measurable outcomes
- ✓ Clear tracking of fund usage and allocation
- ✓ Demonstrated capacity to manage funds responsibly
- ✓ Detailed project timelines with specific milestones
- ✓ Alignment with funder's mission and strategic priorities

A SUCCESSFUL GRANT PROPOSAL DEMONSTRATES ACCOUNTABILITY, TRANSPARENCY, AND IMPACT

- Outlines required documents like IRS determination letters and financial reports
- Includes narratives on program goals, budgets, and evaluation plans
- Specifies reporting frequency and measurable outcomes
- Expects clarity on how their funds will be used and tracked
- Evaluates organizational capacity to manage funds responsibly

RFPs and RFQs

- Requests for Proposals (RFPs)
 - Detail project scope and submission guidelines
- Requests for Qualifications (RFQs)
 - Assess organizational expertise before inviting proposals
- Both outline goals, timelines, and deliverables expected by the funder
 - Leverage RFPs and RFQs for timelines to help build applications
- Be sure to review mandatory sections and strict deadlines
- Require careful reading to avoid disqualification for minor errors
- Breaking down the legal-ese of federal Request for Applications (RFAs)

Evaluating Organizational Fit with an Opportunity

- Check how closely the project or program aligns with your strategic plan
 - Is this funder aligned with your mission and values?
- Assess whether staff and systems are equipped for reporting and compliance
- Confirm buy-in from your leadership and board before proceeding
- Estimate administrative or financial burdens that might come with the funding
- Stay focused on core objectives to prevent mission drift

Reflection Slide

Prompt: Think about the ways your organization typically prepares before reaching out to a new potential funder.

- Which parts of your nonprofit's mission or track record do you usually highlight first, and why?
- How do you assess a funder's priorities before contacting them, and what areas or priorities might you miss by using this strategy?
- What steps can you take to ensure your internal team is aligned and ready to respond to funder inquiries?

Common Pitfalls & Mistakes

- Overlook key requirements or skip reading detailed application guidelines
- Underestimate the staff time and resources needed for proper grant management
- Present a misaligned or unclear budget that raises red flags
- Rely on generic language instead of linking directly to your mission
- Fail to nurture long-term relationships with funders



How To Overcome Common Grant Application Challenges

- Actively manage competing deadlines and timelines
 - Create a clear, shared project calendar
- Ensure cross-department coordination so application elements are consistent
 - Including budgets, narratives, and data
- Recognize capacity constraints and avoid rushed, incomplete proposals
- Address late-breaking updates or clarifications from funders with flexibility
- Keep a lessons-learned note after each application to improve future processes

Key Takeaways & Next Steps

- Aligning with the right funder increases your chances of grant success—assess compatibility early
- Facilitating relationships with funders is an important component of grant writing
- Clearly understanding funder priorities and requirements helps avoid common application pitfalls
- Thoughtful internal preparation and team alignment strengthen your grant applications
- Continuously track lessons learned to refine and improve future proposal submissions