

The Wizard of Grant Making

Looking Behind the Curtain of Foundation Giving

By Matthew Monberg



The world of grant making foundations—an invaluable resource for organizations seeking to find funding for ministry projects—often feels like the Land of Oz. Organizations try to find their way by looking for the wizard, seemingly a source of great wisdom and power. But as they approach with fear and trepidation, they soon find the answers to their questions really lie within themselves, not in the person behind the curtain.

Because of the mystery that shrouds the world of foundation giving, it seemed appropriate to talk with one of the people “behind the curtain.” Paul Nelson, executive director of the Henry Parsons Crowell and Susan Coleman Crowell Trust (Crowell Trust), took time from his busy schedule to shed some light on the grant making process and to discuss what he looks for in potential grantees.

As Paul shared his experience and ideas, it became apparent he wasn’t the all-knowing wizard, but a good man doing a difficult job, working hard to invest limited resources with a high degree of integrity and responsibility.

Like those who went to see the Wizard of Oz, organizations often already have what foundations are asking for, but are living with misconceptions about obtaining grants. For instance, perhaps you’ve thought or heard someone in your organization say something like: “Foundations don’t give to us because we haven’t asked them;” or, “We’re the best kept secret in the evangelical nonprofit world;” or, “We just need

to give the foundation what they want, and then they’ll fund us;” or, “Our foundation funders are different.”

If you have heard these questions, you’re not alone. But unfortunately, these myths reflect false impressions. Once you believe these philanthropic folktales, you become like Dorothy or the scarecrow, believing someone more powerful holds an elusive

solution. All too often, organizations choose to become victims of the process rather than looking inside for the answers to the questions foundations are asking.

Excellent fund development begins with adopting the perspective that you possess the answers and abilities, but have probably not addressed the hard questions.

When asked about the grant making process, and specifically about what the Crowell Trust looks for in evaluating grant requests, Nelson listed four criteria: 1) Is your organization and program *compatible* with the foundation’s mission and vision? 2) Are you *credible*? Is your organization’s infrastructure stable and well-managed? 3) Does your organization have the *capacity* to plan, implement and sustain this project? 4) Is your project *congruent* with your organization’s mission and purpose?

Being bombarded by requests from the evangelical community, most foundation officers—like Nelson—will judge the merit of your proposal by their own specific criteria, most of which would be similar to this list.

Compatibility—An Overlap in Vision and Values

In approaching a foundation for funding, I know of no organizations that say, “We fall outside your mission, *but...*”

Almost every organization claims philosophical compatibility with the foundation to which it's applying. This would appear to be smart grantsmanship. But true compatibility is more than simply restating the foundation's priorities. It's a reflection of the overlap between your vision and values and the foundation's.

To judge your compatibility with a foundation, start with a true self-assessment. You need to know: 1) Who are you and what does your organization stand for? 2) What need are you uniquely qualified to meet? 3) What's your proposed solution? 4) How will the world be different if you succeed? 5) How much will it cost to complete?

Fight the urge to dismiss these questions as overly simplistic. You're saying, "If we didn't have these answers we wouldn't be in business, right?" Wrong! In fact, the problems of many struggling organizations can be traced back to one of these five questions. Organizations which know the answers are leaders in their field—and leaders are always followed.

To illustrate, let's take a quick look at Google, the world's leading Internet

search engine. This product was developed for one purpose—to return accurate searches in the shortest time possible. Google doesn't do advertisements, provide newsgroups, offer web email or

someone else doing what you do, only better? Are you concerned about the same problems as the foundation? Do you agree about how to solve them? Are you helping the same people?

Focused organizations possess mission statements and a sense of purpose that permeate their culture, set expectations and boundaries, define current realities, and relentlessly drive growth.

bother you with pop-ups. In fact, its site is delightfully minimalist in today's world of Internet clutter. Every other search engine in the world is chasing Google's success. Why? Because Google understands its mission, and refuses to be diverted.

Your organization requires a similar level of focus and discipline when it comes to answering the right questions and staying on track. A deep, but clear, organizational self-awareness is necessary before asking for support from others. *If you don't know who you are, neither will any foundation you solicit for funding.*

The second part in determining compatibility requires you to know exactly what drives the foundation's philanthropic activities. Study the founding donor. Talk to the foundation officers. Research the types and amounts of grants made to other organizations.

Let's say that in your research you recognize another organization that received funding from the foundation you want to solicit. Call and find out what the grant was for and what the process was like for that organization. This type of information can be critical in determining whether you're a good match.

Perhaps you've submitted a proposal that was denied. Ask the foundation why. You might find things that seem very clear to you are still unclear to those reviewing your case. The best information will come from asking the foundation's directors whether they consider you a good fit, and if not, why not.

Don't react defensively. Consider what was said and take a serious look at your proposal and organization. Don't blame the foundation; interact with what you've learned and address those issues. Are you a leading organization in your field—or is

Addressing these issues can only help you become a better organization.

Credibility—The Power to Evoke Belief

When you consistently deliver the results you promise, credibility rises. When you don't, it falls. But credibility is more than just your win-loss record. A credible organization keeps its promises, understands the value of partnerships, and attracts and keeps quality leaders.

At one level, credibility is about your track record. This favors older and established organizations over smaller start-up groups. At issue here is the ability to say, "This isn't just a good idea; we've seen it work in other settings."

When you can't make that statement, you're left with few options. Foundations aren't venture capitalists. They don't approach grant making with a high tolerance for risk taking. Instead, they adopt a more conservative stewardship mindset. Foundation directors like Paul don't want to wonder what will happen to the Trust's money once it's in your bank account.

One way to overcome the credibility hurdle is through effective partnerships with other organizations and even joint grant requests.

Collaboration is a nice buzzword everyone talks about, but few know how to achieve it with any success. True partnerships are formed when you have trust, compatibility, and win-win scenarios.

Perhaps you want to expand into Latin America, but have no history or experience working there. Many foundations would be responsive to a thoughtful request that demonstrated how you'd expand your vision through a highly leveraged partnership.

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Through partnerships, you realize and accept that you cannot solve all of the world's problems on your own. When you're able to shed a certain amount of pride and individualism, and hear what others see in you, you ultimately set the stage for greater and more effective ministry.

Until you know exactly who you are and what you do, you really aren't ready for partnership. Even when you've answered those questions sufficiently, develop a set of partnership standards as you look for those organizations that may be a good fit for you.

Capacity—Your Ability to Turn Ideas Into Results

For organizations with credibility, the capacity question is often answered. If you've achieved success over the long term, you most certainly possess the capacity and capability to sustain that type of growth and longevity.

One of the best ways to demonstrate capacity is through your executive leadership. Leaders possess unique influence within organizations. They carry the power to shape culture, set vision, and inspire confidence in the marketplace.

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When you stop trusting leaders, you stop trusting the organizations they lead. After the Enron scandal, did anyone want to buy energy from Kenneth Lay?

When an organization implodes as spectacularly as Enron did, it's clearly the leaders—not the rank and file employees—who were responsible for Enron's collapse.

Quite simply, foundations want to invest in ministries with exemplary leadership because that's often the best indication of an organization's capacity. Great leaders shape history by unleashing the capability of the organizations and people they lead. As a ministry, seek good leaders at every level, invest in their success, and do what it takes to keep them.

Congruence—Coming Together

Congruence comes from the Latin word *congruo* which means "to come together." In this context, your funding request must "come together" with your organizational mission. Again, this seems like a no-brainer. However, foundations are routinely solicited for projects that violate this rule.

In geometry, congruent shapes share identical measurements. In philanthropy, foundations are looking for projects that are identical to your mission statement. Similar is not enough. A project must share all the attributes of your mission—not just some of them.

This is a high standard that demands intense organizational focus and discipline. In some ways, it's the difference between growing where you *should* and growing where you *could*. In this sense, imagine your mission statement as the

pruning shears, clipping back and focusing the growth of your organization.

Every organization should regularly go through this exercise. Review every activity in light of your mission statement with ruthless honesty. If it doesn't fall within your mission, get rid of it. Mission statements aren't simply inspiring words that make people feel good.

Focused organizations (think Google) possess mission statements and a sense of purpose that permeate their culture, set expectations and boundaries, define current realities, and relentlessly drive growth. Bad mission statements white-wash deeper organizational problems, such as poor leadership and lack of agreement on goals.

No Magic Formula

There's a debate within the philanthropic community about how nonprofit ministries should best approach foundations, validate their outcomes, and evaluate their impact. Essentially, foundation fund development is a subjective process crammed into a set of objective strategies—like the ones written about here.

But, truth be told, there are no magic formulas or silver bullets. In fact, Paul Nelson hastens to add that even if you diligently apply these principles and find you've appropriately met each of the criteria he described, that's no guarantee you'd get funded by the Crowell Trust.

These four criteria don't represent a consensus among evangelical foundations. It would be shocking if such unanimity could ever be reached. Yet they illustrate the process of how to be a continually learning organization.

This conversation has been an earnest attempt to see fund development through the eyes of the grant maker. And the lesson is this: even a rejected proposal can help your organization become more focused and effective. While the decision for funding might lie with a foundation board, the responsibility *always* lies with your organization. At least, that's the lesson learned from the man behind the curtain.

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