How to Level Up Foundation Support

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Key Elements of a Highly Effective Organization

- A relevant **mission**

- A clear and compelling **identity**

- A well-articulated **strategy** that uniquely positions the organization for success in the marketplace

- Strong supporting **capacity**

- A solid **business model:**

  - Distinct **programs** that meet a compelling need and demonstrate results per the mission

  - **Financial resources** that support annual operations and long-term growth and sustainability

  - An **engaged community** that champions the mission via volunteering, evangelizing, and investing (inclusive of board members, volunteers, community supporters and donors)

Fundraising Plan

Informed by a thoughtful process, the plan should outline the resources/tools/ materials required and set a road map for a successful campaign

- Critical to have a clear picture of where you are going & how to get there.

- Sets the direction and identifies opportunities to pursue.

- Defines specific and measurable goals to measure progress against

- Allows decisions to be made based on the long-term need & vision

- Ensures that key leadership, staff & board are on the same page

- Guides ongoing decision making, resource allocation, and organization-wide management

Foundation Support

- Instrumental in pressuring nonprofits to define with greater clarity their missions, goals, outcomes

- Divorced from the emotion of giving

- Arms-length relationship with grantees and applicants

- Focus - goals & outcomes, sustainability, board participation

- Primary contacts - executive and/or program officer

- Structured application process

Grants are contracts between grantors, who provide the funds, and grantees, who perform the tasks and deliver the outcomes described in the proposals.

Proposals must, therefore, logically show how non-profits will use grant funds to effectively deliver the outcomes that grantors are hoping, and expect to see achieved.

Key Principles

A fundamental element is relationship building with funding sources

Grants are essential to expanding program/project resources

Most grants are awarded on a competitive basis

Grant providers NEED to give their grants out

If you write a great application that meets the aims and objectives of that program – you are doing them a favor.

The number one reason foundations and corporations don't give is because the request doesn't appear to be aligned with their priorities.

Grant Writing System

- Research methods, frequency of updates

- Identification of research criteria, thoroughness and creativity

- Methods of prioritization for application

- Means of establishing and maintaining relationships

- Review of application drafts

- Review of awards, analysis of reasons for awards and declines

- Evaluation and reporting systems

- Identify new potential funders, if appropriate

The typical timeline on a foundation funding stream is much longer than one might think: 9-12 months

Before You Write the Grant Proposal

- Obtain grant proposal guidelines
- Review eligibility requirements
- Identify match/leveraging requirements
- Know the submission deadline
- Determine personnel needs
- Other administrative requirements

What the Funder Is Seeking

- What is the community need being addressed?

- What would an improved community situation look like?

- What can your organization do to improve the situation?

- How will your project document its success?

- How much will the project cost?

- How will the project be funded in the future?

Remember to think in
the shoes of the grant provider

Funders, policy makers and board members are increasingly demanding that nonprofits explain what social change they are trying to achieve.

- What is the priority of that organization/agency?
- How does your project fit with those priorities?
- What are some examples of projects they have previously funded?
- Does that provider prefer 'soft' or 'hard' project outputs?
- Is the amount you are asking for within the realm of the provider? - Upper & lower limits, percentage of project cost.

Foundation Evaluation Process

1. Organizational history and track record

An organization's history and track record can tell you a lot about its ability to successfully carry out the activities outlined in a proposal. You will want to know about the organization's key milestones, including recent achievements that reflect well on the capacity of current board and staff members to deliver on their goals and objectives. You will also want to know how the organization has responded to key challenges such as leadership transitions and difficult economic times. This will help you develop a solid understanding of the sustainability of its programs and operations.

Note: If the organization is a startup nonprofit, your focus might be less on its history and more on its staff and board leadership and their credentials, as well as their plans for fundraising, project execution, communications and more.[7]

2. Governance and executive leadership

The board is the oversight body for a nonprofit organization, providing governance and strategic direction. Understanding how the board functions and how it collaborates with the executive director can give you important insights into the organization's overall stability and health. You will also want a sense that the organization has strong and capable leaders who work well together and whose individual strengths and weaknesses are balanced effectively. Strong governance is essential for an effective nonprofit.

3. Organizational vision and strategy

Effective organizations are guided by a clear vision and strategy. The board, executive director and staff all should have a shared understanding of what their work is about, where it is leading them and their constituents, and what core strategies they are following as they strive to reach their goals.

But remember: Vision isn't everything. Execution is key. In your due diligence review, you will want to know that the organization's work is founded on realistic goals and proven tactics — and that the vision and strategy are feasible, given the resources and the capabilities the organization brings to its work. You will also want to know that the leaders of the organization have a strong understanding of current trends in the field and of how those trends will affect the organization's work in the months ahead.

4. Proposed project: planning, outcomes and evaluation

Your initial proposal review should give you a good sense of what the applicant intends to do with your support. As you weigh the organization's plans, you will want to know that the project methodology is sound. You will also want to know that the work is aligned with the organization's mission, strategy and theory of change, and that the project plan allocates sufficient resources (staff, expertise and money) and an adequate time frame to accomplish the project goals.

Another important consideration is whether the organization has a plan for evaluating its progress and applying what it learns. A nonprofit's leadership needs to know what it is trying to accomplish and to have a system for measuring its progress toward meeting those goals.

5. Human resources

It is important to know which staff members will be primarily responsible for working on a proposed project and what kinds of experience they bring to the work. Unless you already know key staff members from the organization, you may want to do more than read their staff biographies in the proposal. More broadly, grantmakers will have confidence in an organization to the extent that they feel it has an overall management structure that makes sense and that is based on clear job descriptions and logical lines of reporting for staff.

Another important consideration: Does the organization invest in staff training and development? Are there articulated, shared values within the organization and a culture that supports them? Does the organization have appropriate human resources policies and procedures in place?

6. External communications

A nonprofit's capacity to communicate about its work can have a huge impact on its overall effectiveness. As part of your due diligence work, you may want to explore whether the organization has a clear sense of its audience, a clear message to communicate about its work and its role in the community, and a communications plan for doing so. And, with online platforms and social media driving much of today's communication in all sectors, you may also want a sense of how the organization is using the latest communications tools to build understanding of and support for its work in the community it serves.

7. Relationships and networks

In this time of increased need and diminished resources, the willingness and the ability of a nonprofit to collaborate or partner with others are increasingly important to the organization's success. Board members and staff leaders should understand the position of their organization in the field, with whom they are competing for resources and where there are opportunities for strategic cooperation with others. Partnerships — ranging from one-off connections to long-term relationships — are an indicator that an organization is looking for ways to increase its impact and efficiency.

8. Financial health

A nonprofit needs appropriate financial systems for developing budgets based on realistic plans, plus the capacity to monitor those plans through accurate, timely reports that compare budgets to actual financial performance. You will want to confirm that the organization has prepared a realistic budget with reliable sources of revenue and reasonable expenses, as well as understand how it would respond to any unexpected revenue shortfalls or cost overruns. Additionally, you will want to know whether the nonprofit has a track record of operating in surplus, whether there are any cash flow challenges and whether the organization has sufficient financial reserve.

The due diligence process is also an opportunity to review a nonprofit's broader financial strategy and plans. Do the organization's leaders have well-thought-out plans for attracting sustainable sources of funding? Does the organization have what it needs to support operational requirements in areas from staff salaries to technology and other infrastructure? Has the organization considered an optimal structure for its balance sheet to help it realize its future plans?

What Is a Logic Model?

- Provides a simplified picture of the relationships between the program inputs and the desired outcomes of the program

- Is a graphic and explicit representation of relationships, assumptions, and rationale

- A logic model is a versatile tool that can support many activities.

The Elements of a Logic Model:

Problem statement
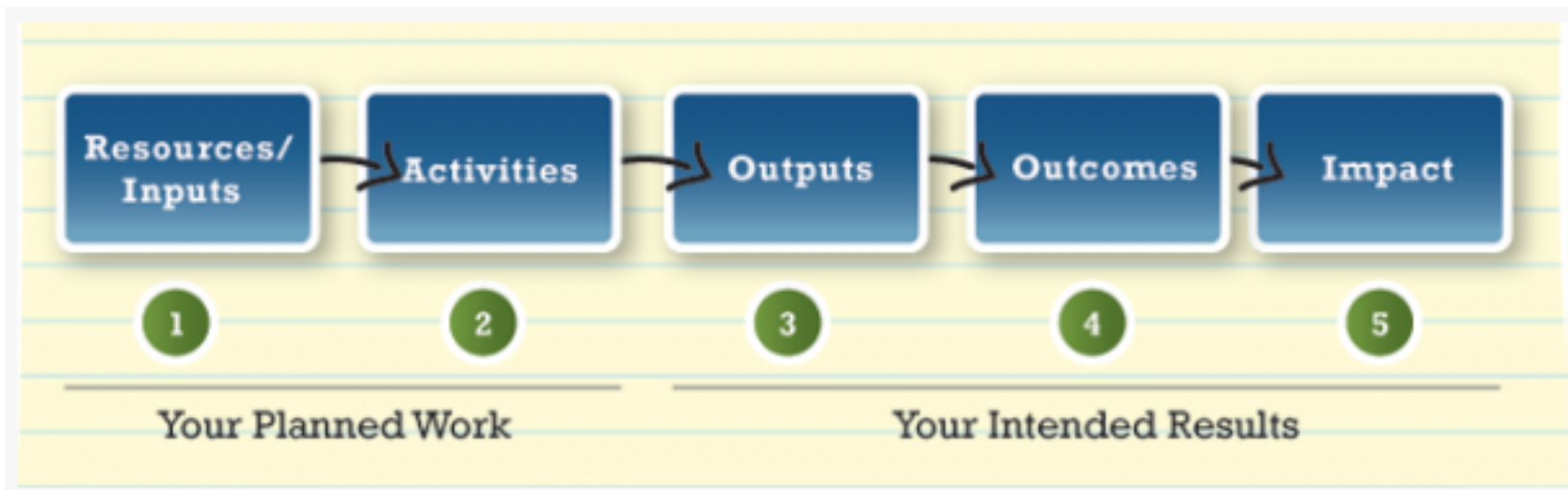
Objectives

Assumptions

Input/Resources

Activities

Outputs

Short- and long-term outcomes/Impacts

Indicators + Evaluation

LOGIC MODEL FRAMEWORK

**Problem Statement ~ Target Population
Objectives ~ Assumptions
Indicators**

Logic Model: Exercise

Problem Statement 1:

- Objectives (Specific, Measurable, Achievable, Relevant, and Time-bound)

- Activities (what we do to achieve objectives/goals)

- Inputs/Resources (human, financial, technology, etc… resources needed for activities)

- Outputs (tangible and direct <u>products</u> of activities that lead to desired outcomes)

- Outcomes (short-, medium-, and long- term desired results of activities)

- Indicator/Evaluation Method (indicators we look for to measure implementation, progress and success)

Problem Statement

The problem or challenge that the program or policy is designed to address.

Questions to ask in defining the problem:

- What is the problem or issue?

- Why is this a problem?

- For whom does this problem exist?

- Who has a stake in the problem?

- What is known about the problem (through previous work, research, etc.)?

Research

Use credible research to help make the case for the problem statement. This demonstrates that you clearly understand the needs of your target population within the broader context of your community. Citing credible research also adds to the credibility of your organization. Use the most relevant and up-to-date research related to the programs. Supply data and statistics to make a strong case.

What relevant trends in or changes to the external environment are occurring?

What social problem(s) exists in your community, region, state, or country that you seek to address?

How can you quantify the size of this problem?

Why would this problem get worse if no one addressed it?

How much worse would it get?

Why should someone not affected by this problem care about it?

Why is this problem significant and important to people or groups outside of the organization?

Target Population

What people or groups are you seeking to benefit or influence?

Use demographic data to describe your target audience. Include all relevant statistics: race, age, gender, income, etc.

Include a client profile in your demographics section. People connect more to a real person than to a bunch of statistics.

Program Objectives

Think about the overall purpose of your program, activities, etc. What are you trying to accomplish? The answer to this question is the solution to your problem statement, and will serve as your objective.

Objectives serve as a frame for all elements of the logic model that follow. They reflect organizational priorities and help you steer a clear direction for future action.

Objectives should:
- Include the intended results—in general terms—of the program or initiative.
- Specify the target population you intend to serve.

Assumptions

Beliefs about participants, objectives, the program, and how change or improvement may be realized

Make explicit all implicit assumptions:

- Assumptions can be internal and external.

- Ask: What is known, and what is being assumed?

The simplest form of a logic model:
INPUTS   OUTPUTS   OUTCOMES

- **Inputs**: What is invested in the program (e.g., money, people, time, and space)

- **Outputs**: What is done in the program (e.g., program strategies and activities)

- **Outcomes**: What results from the program (i.e., short- and long-term outcomes)

Resources (Inputs)

The material and intangible contributions that are or could reasonably be expected to be available to address the problem.

They include those aspects of your project which are available and dedicated or used by the program/service.

Resources are the inputs that enable the creation of the strategies and activities that are designed to respond to the stated problem.

- Financial support (e.g., federal, foundation, and/or corporate funding, matching , etc.)

- Human resources and talent (e.g., administrative staff, program staff, parents, peer tutors, etc.)

- Organizational tools (e.g., committees, board members, data collection and tracking tools, etc.)

- Community contributions (e.g., partnerships, business volunteers, workshops, etc.)

- Supplies (e.g., equipment, office space, books and materials, transportation, etc.)

- In-kind donations (e.g., event tickets, care packages, meeting space, etc.)

- Other (e.g., resources that are unique to your program, the region, state, etc.)

Strategies & Activities

What you propose to do to address the problem…

Activities, services, events, and products:

- Are designed to address the problem

- Are, together, intended to lead to certain outcomes

Outputs

Outputs are the measurable, tangible, and direct products or results of program activities. They lead to desired outcomes—benefits for participants, families, communities, or organizations—but are not themselves the changes you expect the program will produce. They do help you assess how well you are implementing the program.

Whenever possible, express outputs in terms of the size and/or scope of services and products delivered or produced by the program. They frequently include **quantities** or reflect the existence of something new.

Since outcomes are sometimes confused with outputs, let's go over the differences. Here are the distinguishing characteristics:

Outputs vs. Outcomes

Outputs are the direct and measurable **products** of a program's activities and services; they are often expressed in terms of volume or units delivered.

Outcomes are the **results** or **impact** of the activities and services. Outcomes often represent the results of multiple outputs; each outcome usually corresponds to more than one output.

Outcomes

Outcomes express the results that your program intends to achieve if implemented as planned. Outcomes are the **changes that occur** or the **difference that is made** for individuals, groups, families, organizations, systems, or communities during or after the program.

Outcomes answer the questions: "What difference does the program make? What does success look like?" They reflect the core achievements you hope for your program.

Indicators & Evaluation

It is a systematic process of asking questions, collecting information, and using the answers to

- Set realistic goals and fine tune strategic decisions.

- Measure progress and identify areas of improvement.

- Identify training and technical assistance needs.

- Be accountable and be credible to your constituents.

- Motivate by providing documentation of your achievements.

- Guide budget and resource allocation.

- Generate support for programs.

- Be an efficient organization that works toward its mission.

Indicators & Evaluation

It involves looking at your program and asking:

Are we doing what we said we were going to do? Is what we're doing working? How do we know it's working?

Did we accomplish what we set out to accomplish?

It is part of what you put in place *beforehand* to help you run your programs. It should be about looking ahead *not* backwards.

It is part of the continuum of planning (rolling evaluation).

QUESTIONS?

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