

**THE COMPLETE
IDIOT'S
GUIDE[®] TO**

Grant Writing

Third Edition

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ALPHA

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The Practice of Grant Writing

Chapter

1

In This Chapter

- Grant writing defined
- Why grant writing is right for you
- How the economy affects grants
- What it means to be a grant writer
- Time line for success

Grant writing is one of those topics that seems very technical and esoteric, yet you probably already know more about it than you think you do. But before I go any further, let's be clear about just what grant writing is and isn't.

Grant writing is the skill or practice of asking for money in the form of a grant from a foundation, corporation, or government agency by crafting a well-considered document (the proposal) that outlines how the money will be used, what receiving the money will accomplish, and who will undertake the tasks described in the proposal.

Grant writing is *not* about writing a group of friends to get each of them to give \$25 for the local library. (That sort of fundraising is called direct mail or unsolicited third-class mail, but never junk mail if you are in the business of raising money.)

Grant writing *is* about creating a proposal, which you can send to local corporations or foundations asking for several thousand dollars for the local library. On occasion, proposals will be written to individuals when a four- to seven-figure gift is being sought, and I cover that in this book, too. But for the most part, you'll be concerned with getting largish sums of money from some kind of institution or another. Grant writing is an important part of any fundraising program, which would likely include at least direct mail and special events as well.

I start off with what I think you already know and finish this chapter with the key things you need to know about the practice of grant writing. Then I show you how to pursue the technical aspects in the remaining chapters of the book.

You Already Are a Grant Writer!

If you're anything like me, when you were in college or away at summer camp, you found it easiest to remember to write home just when your wallet was getting a little thin. Believe it or not, that was your first grant-writing experience. (I hope you were successful!)



PHILANTHROPY FACT

More than 1.5 million nonprofit organizations in the United States have federal tax-exempt status, hundreds of thousands more have state tax-exempt status, and untold numbers of other groups are unincorporated.

Asking for money is never easy, but anyone can acquire the skills to ask like a professional fundraiser. This book tells you how to do that, but like so many important life lessons, you'll find you learned the basics much earlier in life. In case your memory is fuzzy on what those letters home were like, I've included a "Dear Mom and Dad" letter to refresh your memory.

Dear Mom and Dad,

Thanks so much for the check you sent a couple of weeks ago. It really came just in the nick of time so I could get all the books for the new semester.

College is great! You probably saw the basketball game on TV last weekend. It was really something to actually be there. The college has a terrific series of concerts in the Coliseum, too, with first-class bands.

There are so many things to do and see, but recently I have not been able to do and see as many things as my friends because I've been running low on funds. If you could send me an extra \$100 to tide me over to the end of the month, that would really be great!

It's not that I expect to go out every night. Most of my time is still spent studying, especially for Psych 101, which is really tough, but I think is the subject I like the best. Reading the case studies has really brought home to me what great parents you are.

When do you think you'll come up for a visit? Hope it's soon, and if you could help me out with a check really soon, I'd really appreciate it.

Love,

Jack

Like Writing Mom and Dad

You can learn many things from that “Dear Mom and Dad” letter that will serve you well as a grant writer. Let's take a closer look at the letter to see some of the points of similarity.

Because Jack's letter home was not the first time he had ever asked for money, he was seeking a renewal grant. So Jack naturally started out telling his parents how he had used the last money they sent. And note that his very first word was “Thanks”—the magic word that can open so many doors. It's so important to always acknowledge past support. No one—not a parent or a funder—ever wants to be taken for granted.

Jack follows his opening by telling his parents what has been happening at school to make them feel involved and current. Every funder will want to know what significant things are happening in your organization right now, whether they're related to the specific grant or not.

Eventually Jack had to actually ask for money, which to be convincing, had to include some ideas on how he'd spend this new money. Jack's pretty vague on this, so he must be looking for *general operating support*.



DEFINITION

General operating support refers to a grant to pay for the everyday expenses all organizations have—rent, utilities, and insurance—as well as for personnel who are not involved in programs (like the grant writer). General operating support can also be used to help pay for programs, which is sometimes necessary when a program is just getting started.

Note that he does at least ask for a specific amount. People like to know what you expect of them, so always be specific in your grant proposals—don't make them guess how much the new bus will cost or how much it takes to build a website. And don't ask a funder for too much or too little. Your best guide to how much to ask for is how much the funder has given to organizations similar to yours. Check the funder's annual report or IRS return for lists of grants.

Usually, when seeking general operating support, you would make a point of covering a wide range of issues your charity addresses. Jack can assume his parents have an intimate acquaintance with his general operating needs, so he doesn't have to go into detail here.

Jack knows to end on a high note, staying positive and connecting emotionally with his parents one last time to remind them why they really want to write him that check. He isn't shy about pushing his parent's emotional buttons. (Who knows better where they are; he probably "installed" some of them!)

Jack's big advantage over you or me in writing a grant proposal is that he wrote based on a relationship built up over nearly two decades. The prospects were knowledgeable about the cause to which they were being asked to contribute. And because of the long relationship, they were predisposed to responding positively to his request.

So how do you create a level of knowledge and (hopefully) a predisposition to a positive response? In the fundraising business it's called *cultivation*, by which you develop the prospect over a period of time so the proposal arrives on the desk of someone who is well informed about your organization (if not necessarily about your project). "Cultivation before solicitation" is my favorite saw, and one everyone who works for me is tired of hearing. You don't have to hear too much more on the subject from me until Chapter 10.



HOW TO SAY IT

The "ask" usually comes at the beginning of a proposal and is repeated at the end. Always ask for a specific amount, and with renewals, always ask for more unless you know the funder doesn't make larger grants.

Now let's use Jack's letter as a guide to write a simple—very simple—grant proposal:

Ms. Betty Smith
Executive Director
Small Town Foundation
123 Main Street
Anywhere, IL 60000

Dear Ms. Smith:

On behalf of the board and all those we serve, I would like to thank you again for Small Town Foundation's generous \$5,000 gift to support our after-school activities last year.

Since we received your gift, 75 additional children have become regular participants in the activities offered at our center. You might have seen the short write-up that appeared in the local paper about us. Although this recognition was important, the looks in the eyes of our children are the true rewards.

We are writing now to ask that you renew your \$5,000 gift this year. Your funds will be used to further expand the number of children we can accommodate each day by making it possible to retain an additional teacher's aide.

I would love to arrange a visit so you can see firsthand what your gift can accomplish. Please give me a call at 312-555-1212 or e-mail me at execdir@all4youth.org, and I'm sure we can find a time to meet. Your kind consideration of this proposal is greatly appreciated.

Sincerely,

Mary Stuart

Mary Stuart
Executive Director

That's a much simpler proposal than you'll ever write, but you get the point. Grant writing is no big mystery. It doesn't require a Ph.D., but you do need to know how to put the parts together, avoid amateurish pitfalls, and convince others of the importance of what you're writing about.

If you were good at writing please-send-money letters to home from college, you're going to be a great grant writer. And if you lived at home and never wrote one of these letters, well, congratulations! You probably have experience in face-to-face solicitation, which is also a good skill in fundraising.

You say you never needed money from your parents? Well, maybe you'll soon be the one making grants to your own kids. But whatever your experience, this book will take you from simple show-me-the-money letters to fully developed grant proposals.

Why Grant Writing Is the Answer

No one grows up wanting to be a grant writer (or any kind of fundraiser, for that matter). Most of us fall into it out of necessity, either as part of our jobs or because we want to raise some significant money for a cause we believe in.

You might want to write a grant proposal, for example, if ...

- You can't face one more bake sale for the soccer team.
- You see your local seniors' center needs a big infusion of cash to keep a program going.
- The local library's new book budget has been slashed by the city, and a group of neighbors want to help out.
- You're on the board of a new nonprofit group that can't yet afford professional development staff.
- You're raising funds for your own arts project.

Whatever your motivation for wanting to be a grant writer, you'll want to produce a professional proposal that will withstand the scrutiny of foundation staff *and get funded!*

Despite the proliferation of new foundations in the last two decades, there are still far more organizations and individuals seeking grants than there are organizations and individuals making grants. In fact, nonprofits outnumber grantmaking foundations by about 20 to 1. Many well-known organizations have large, well-paid development staffs vying for this money, but that doesn't mean you won't be successful. Fortunately, there are foundations and other grantmakers for every size organization and every conceivable cause. Private foundations in the United States alone give away as much as \$43 billion annually.

In this book, I cover everything you need to know to write a successful grant proposal. You'll learn how to research prospects, cultivate relationships within and outside your charity, develop a complete proposal in several common formats, create a budget that also tells a story, and end up with a proposal that will stand out from a foundation's slush pile.

The Stock Market and Grants

Everyone whom you might approach for a grant lives in the same economic world as you and I. This means that when times are good and the stock market is riding high, foundations have more money to give away, corporations have greater profits from which to support charities, and governments are flush with taxes. Obviously, the opposite is true when times are hard.

If your charity receives a large percentage of its income from foundations and corporations, economic downturns will dramatically affect your funding. Individuals tend to give more to the causes they most believe in during tough times, but they might drop charities in which they have less interest. Government funders generally are affected a bit later, when tax income falls. All this, of course, is a good argument for not relying too heavily on one source of funding.

Foundations are required by law to spend 5 percent of their assets each year on grants and related expenses. Few give more than that, even when their investments are earning three times that amount. After the national tragedy of September 11, 2001, occurred, many foundations did dip into their principle to make large emergency grants—that is, they gave away more than they earned on their investments in 2001, but that was an exceptional time in every regard.

A grant writer should always be aware of how the economy might be affecting those she is soliciting. In lean times, foundations tend to take on fewer new grantees, preferring to maintain their commitments to their current charities. When times are tough, one of the first things corporations eliminate is corporate giving. And because many corporate foundations are funded year by year, there's not even an endowment to fall back on. Government funding can be particularly capricious, being affected by the political agendas of those in power as well as by the economy. In 2010, states sharply reduced or eliminated support for many sectors, including social services that were already struggling to meet basic human needs.

In a slow economy, the grant writer's job becomes much more difficult. The grant writer must spend more time getting current funders to renew grants rather than sending out lots of new proposals. Just remember, though, that foundations still have to give money to someone, so it might as well be you.

The Complete Grant Writer

A grant writer is someone who is able to craft elegant, clear, concise sentences that can convey passion as well as detailed information. Often you'll be called upon to describe technical facts (for example, in a grant for a new computer network) or concepts and procedures about which you know nothing (as in a scientific proposal) or abstract concepts that lie well outside your daily life (as in a research proposal).

A good grant writer learns enough about the subject to write intelligently and make the subject comprehensible to others who have no background in the subject. The grant writer also reflects the passion and enthusiasm of the people who run the project or program to get whoever reads the proposal equally excited about the project. Don't be shy about asking program staff about their program—they'll probably be thrilled to know someone is interested in what they do.



PHILANTHROPY FACT

In response to the 2010 Haiti earthquake, American foundations contributed more than \$306 million to relief efforts, compared to the \$4 million going to Haiti before the quake. (Source: *Focus on Haiti: Earthquake Relief and Recovery*, The Foundation Center.)

A Diplomat

A grant writer must be a diplomat who helps the people running programs get their ideas into shape. Many people who run programs are so close to the program they can't see how to clearly explain it to someone unfamiliar with the project or organization—and many simply are just not good writers.

The grant writer takes the words from the program staff and states their ideas in plain English, without making the program staff feel belittled. The grant writer must often also be an advocate with senior staff and board members.

A Financier

A grant writer is a financially savvy person who can make numbers speak as clearly as words. Numbers can tell any story you want them to tell. Your budget should reflect the project's narrative description and include enough detail to be convincing, but not so much as to restrict the execution of the program.

Crunching the numbers and presenting the numbers are very different talents. The grant writer needs to do both, but more of the latter.

A Nosy Parker

A grant writer is also full of curiosity, willing to go to any length to ferret out information about funders to find the right match for his organization.

A grant writer is interested in people—those for whom he is trying to raise money, as well as those from whom he hopes to get the money.

A Passionate Advocate

But mostly, a grant writer needs passion for the cause at the heart of the proposal. After all, if you don't really care about your project, why should the funder?

Although grant writing might sound like a solitary activity, in the course of preparing a grant proposal, you actually interact with a wide range of people, including program and executive staff at your charity, members of your board of directors, and staff at foundations and corporations. On the other hand, it's something you can do on a part-time basis working from home.

Grant writing can be quite a lucrative profession. The positions at different charities go by a variety of names, including grants officer, institutional giving manager, foundation/corporation/government affairs manager, director of development for institutional giving, and many others.

Salaries for grant writers vary widely, according to the type of charity and the size of its budget. Generally, fundraisers at hospitals and universities make the highest salaries; social services charities tend to pay the least, with the arts somewhere in between. Expect to make from \$30,000 with a small organization away from a major metropolitan area to \$100,000 for writing grants and supervising others at a major institution.

If you're considering doing grant writing as a consultant, be aware that, in many states, all fundraising consultants must register with the state attorney general. In some cases, you must also register with the state in which any funder you approach is located.

If you're hiring a consultant to help with grant writing, check with your state's attorney general's office to see if registration is required, and be sure your consultant has the necessary registration (if any).

One final note on consultants: professional fundraising consultants work for a flat fee, never a percentage of what they raise. (You can learn more about being a consultant in Chapters 23 and 24.)

A Week-by-Week Guide

It's important to allow yourself enough time to prepare your grant proposal, especially your first one. The great unknown in preparing a grant is how long the internal review will take. If your executive director is a real stickler who lives to edit someone else's prose, allow additional time for review.

The following time line assumes you've spent at least several months cultivating a range of prospects so that when the right project came along, they were already primed and ready to receive your proposal.

Week 1: Most proposals you write will be for specific projects, so you'll have to get to know the ins and outs of the project before you can do anything. Allow at least a week to get information from others and digest it. You'll have time during the inevitable rewrites to continue learning and digesting.

Weeks 2 and 3: Conduct research to find the best funder matches for the project, and write or call for guidelines (if not available on the Internet). This is the most crucial stage in the proposal process. If you haven't done *all* your homework, you won't stand a chance at success.



WORDS TO THE WISE

If you need money in less than three months, you're better off approaching an individual using a board or volunteer contact. Institutions move slowly.

Week 4: Complete research, checking to see if anyone connected with your organization knows anyone connected with the funder, and review information received from funders.

Weeks 5 and 6: Write the proposal, and share it with program staff and others. Make revisions and more revisions.

Week 7: Make final edits, contact the funder when appropriate, and mail the proposal well in advance of the funder's deadline.

Week 8: Relax and wait.

Week 9: Make a follow-up call to see if the application was received.

Weeks 10 through 25 or longer: Patiently wait for news from the funder.

Weeks 12 through 52: The check arrives! General rejoicing!

As you can see, grant writing involves a lot more than just writing, but that's what makes it interesting and challenging for those of us who do it. I love learning about the new projects I raise money for, and it's so gratifying when a grant is successful and you know it was *you* who helped buy the books for the library, provided daycare for more kids, or helped people learn to read.

But what makes you eligible for a grant, and what's a reasonable grant request? You'll find out in Chapter 2.

The Least You Need to Know

- Asking Mom and Dad for money and approaching a foundation aren't all that different.
- Grant writing can produce substantial sums for your community center, soccer team, church, or beginning nonprofit.
- Grant monies for charities decline in a down economy—just like everything else—and rise when times are good.
- The grant writer's best friends are knowledge and passion.
- A good grant writer possesses diplomatic skills, financial acumen, curiosity, and passion.
- From concept to grant check can take six months to a year—or longer.