

BUILDING REVENUE

ONE GRANT AT A TIME

BY, RACHEL REPKO

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NOTE FROM AUTHOR

Finding new sources of revenue has become a priority for nonprofits struggling to survive these lean economic times. Direct mail marketing has traditionally been the main source of income for most nonprofits, and has been very successful. But with competition for the same direct mail dollars becoming all the more fierce, new avenues of funding need to be found.

According to The Foundation Center, an estimated \$46.9 billion was distributed world-wide by more than 76,600 US-based private and corporate foundations in 2011. With return on investment from good grant writing campaigns starting at an estimated \$7 for every dollar spent, tapping into this source of funding has become the focus of non-profit organizations across the country.

Building revenue through grant writing takes persistence, with results building slowly over time. It takes in-depth research and planning to craft an effective proposal that stands out in an increasingly competitive market. Unfortunately, due to cuts in spending, over-worked program and development staff have taken on grant writing. Poorly planned grant writing campaigns have resulted in missed opportunities and less than acceptable results.

This, however, does not have to be the case -- the implementation of a few simple, time-tested principles can help turn around any grants program. In fact, developing an effective grant writing campaign is like building a house. You need a strong foundation, framework and plan in place. Then your proposals can be submitted with confidence, with the knowledge that the foundations you are approaching are most likely to yield success.

I consider myself a front-line, "in-the-trenches" kind of grant writer with fifteen years' experience writing grants and have learned some simple steps that can help non-profits grow their grants revenue by more than 50% annually. These basic principles are very simple, but in the busy life of a grants department they can be easy to set aside.

I have created this guide to share these principles, giving step by step suggestions of how to craft a successful grants program. These steps can result in an increase of funding over time, allowing your organization to stop worrying about paying the bills and to concentrate on what they do best; changing lives.

Warmly,
Rachel Repko
Repko Grants Inc.

STEP ONE

GETTING ORGANIZED

BUILDING A STRONG FOUNDATION FOR YOUR GRANTS CAMPAIGN BEGINS IN THE FILING CABINET.

Your organization's foundation files most likely contain a treasure trove of information – much of which has been buried or lost over years of revolving grant writers and development directors. With a bit of digging and searching it is amazing what nuggets of information can be found that lead to funding. To do this, you first need to get organized.

If your organization already has a great filing system, then skip ahead to Step Two. However, if your organization is like many non-profits, the grants department filing cabinet is not a pleasant sight. Rows and rows of foundation files, bursting with information from years gone by, leaving the most dedicated grant writer overwhelmed. My advice is not to shy away from these files. Clean, tidy and well-organized files can prime the pump for fresh research and new sources of money down the road. Here's how to get started:

A Files

Begin by going through each foundation folder one by one. Pick out those foundations where you have been successful time and time again. These are your favorite, most faithful foundations, where you have confidence of continued giving as long as you meet their deadlines and present a suitable ask.

Once you have selected these foundations, find a location in another filing drawer to start a new A files section. I have mine conveniently located to the right hand side of my desk so I can just reach in and pick out whichever file I need.

File foundations alphabetically, using this opportunity to prune each file, shredding any obsolete information or duplicate copies of proposals. Make sure that all the latest grant agreements, award letters and reporting documents are located in the appropriate foundation folder and clearly labeled. These new files are where all the action happens and you need to be able to get your hands on what you need at a moments' notice.

B Files

The files left in your original filing cabinet become your B files. Most of these files will be for past foundations which may have given once or twice, or may have been approached without success. For whatever reason, they are not current givers. These will become part of your B filing system but are no less important than those in the hot files section. In fact, these funders may very well be the source of your next big grant and an extremely important part of your grants campaign.

C Files

Your C files will be made up of potentially new funding opportunities from foundations with no current history of funding your organization. This list is gleaned from new research (see Step Two) or from promising leads from your Board of Directors, Executive Director or Development Officers. Start by creating a file folder that you keep within reach on your desk. Use this “C” list to keep your new leads, or store funding guidelines from promising foundations found as a result of your research.

Shred

As you organize, be brutal. Shred duplicate proposals, annual reports, or research documents from over 3 years ago. You can probably find that very same information on the Internet, so don’t be timid. As you create new files, consider using a labeler machine for a more streamlined effect.

Re-organize Computer Files

Once the hard copy files are in shape, move on to the computer files. Go through each file deleting obsolete or duplicate applications, making sure that each foundation folder contains your most up to date proposals and reports with critical documents scanned in and organized alphabetically and by fiscal year. Also create a grants management folder to store audits, IRS letter, 990s and attachment materials and grants tracking documents.

Define Roles, Establish Protocol and Work Flow

Implementing a successful grant writing campaign requires a team effort. Take the time to decide who is responsible for what, and make sure that everyone knows exactly what they are responsible for.

Ideally, you will create a protocol document that goes in-depth into roles, responsibilities and work flow. This document needs to cover the practical details of how to handle the daily activities in the grants department, including the following subject areas:

- The Team
- Grants Planning and Foundation Research
- Correspondence and Budgets
- Proposal Writing, Submission and Reporting
- Documentation and Tracking
- Trouble-shooting

Here is an example of an outline for The Team responsibilities section:

CEO: has ultimate oversight for foundation and grant making success for the organization and is the key spokesperson for the organization; also available to forge new foundation relationships and to be present for foundation site visits.

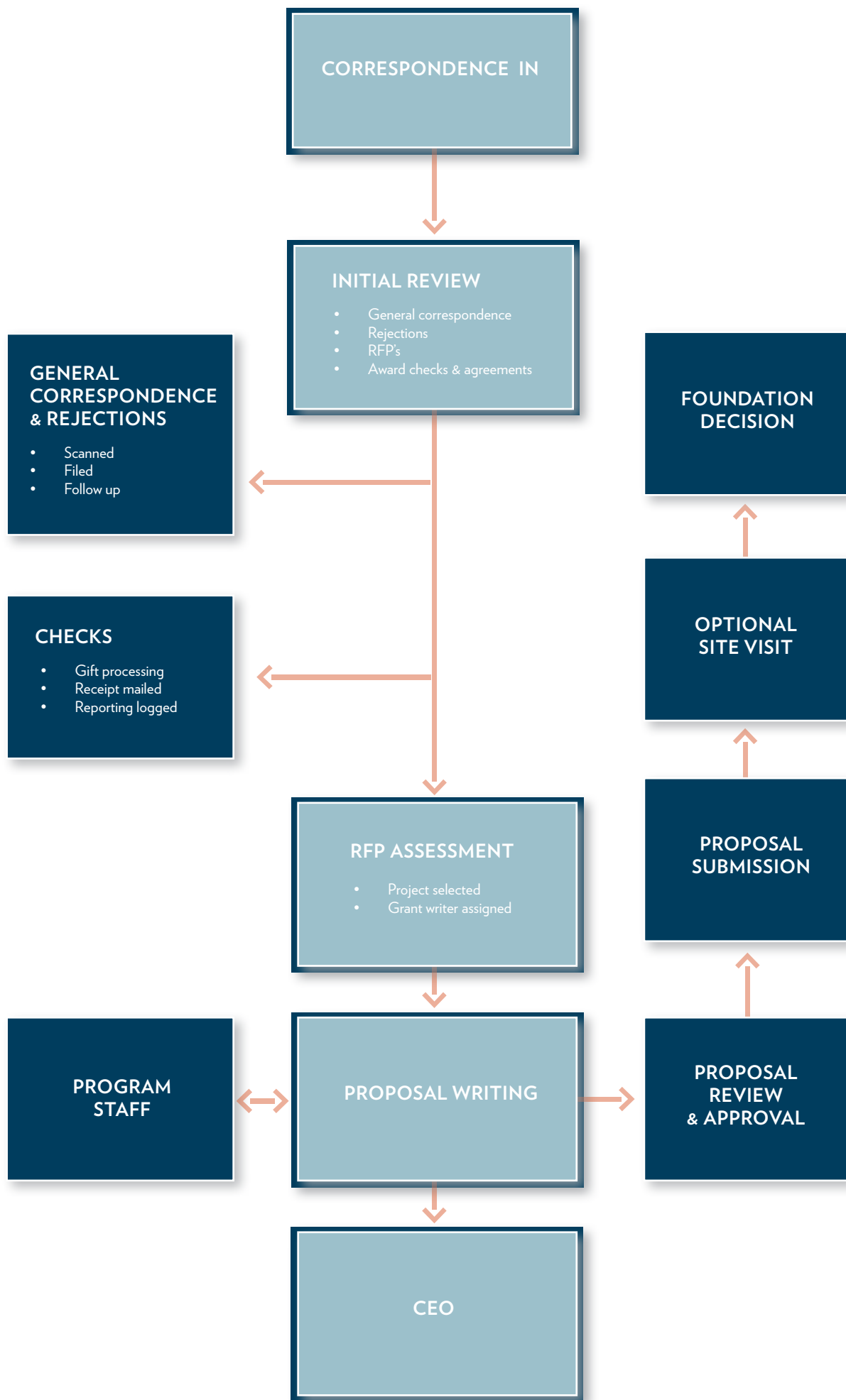
Director of Marketing and Development: is responsible for oversight and management of grant writing efforts by the grant writing team, ensuring grant funds are spent in accordance to the proposed goal, guides and directs grant writing staff, and has oversight of budgetary/internal grant tracking systems.

CFO/Accountant: is responsible for official record-keeping, manages accounting system for receiving and tracking grant funding.

Program Staff (Program Directors/VP of Programs): is responsible for liaising with grant writer for writing the grant application, reporting on program outcomes, and spending money according to the plan, budget, and timeline in the original proposal.

Grant Writer: has primary responsibility for researching, writing and managing the grants process, is the main link between the funder and all other organizational staff, and is responsible for processing the grants paperwork.

It's also worth taking the time to create a work flow chart to help streamline grants activities, as in the example on the following page.



TWO STEP

IT'S ALL IN THE RESEARCH

ONCE YOU ARE ORGANIZED THE NEXT STEP IS TO BUILD A STRONG FRAMEWORK FOR YOUR CAMPAIGN. This part is all about research - focused, targeted and effective. It cannot be over emphasized that research is critical to the success of your grants campaign and is well worth the initial investment of time and effort. The three priority areas that need to be covered include:

- A: Private and corporate foundations currently funding
- B: Private and corporate foundations which funded in the past
- C: New private and corporate foundation opportunities

Start by developing a Foundation Research tracking document to record the annual giving from all foundations in your files. This document will become a very important part of your revenue building campaign, used as the “go to” research document in the creation of an action plan as outlined in Step 4 above. This document is a spreadsheet organized into A, B and C listings based on your ABC filing system and prioritized according to best chances of funding.

An example:

FOUNDATION	GIVING HISTORY					ARCHIVES & NOTES	CONTACT	DEADLINE
	2012	2011	2010	2009	2008			
A LIST								
B LIST								
C LIST								

- A: Current private and corporate foundations

Start with recording all foundations in your A files filing drawer on your Foundation Research spreadsheet. List name, contact information, years, amounts of giving, and deadlines. No matter how large or small the grant, these current private and corporate foundations are your bread and butter, so make sure you include all of them.

B: Past private and corporate foundations

Work on your B files or past foundation file folders to record all gifts given by past funders on your spreadsheet. You may need to look back over the last 10 to 20 years, listing these gifts under the Archives column in your spread sheet. In my experience, this is probably the single most important place to find hidden and repeat sources of funding. Time and time again, this is where I have found new sources of money and it is much easier than going after new foundations. In fact, you have a 70% chance of being awarded funding from a foundation that has given to you before than if you try going to a new source. I call this finding hidden treasure, and I'm convinced that far too many non-profits leave these valuable sources of funding buried in their filing cabinets.

Make note of any specific details that could be useful, such as key contact information or letters of endorsement from donors. Analyze letters of rejection to figure out why foundations may have stopped funding your organization. Have things changed? Do you now serve the population group or field of interest that they prioritize? Make notes of all these observations on your spreadsheet.

Keep a close look out for foundations that have given small amounts over a number of years and then stopped. Your job is to dig deeper to figure out why that happened. Did the foundation close down? Did they change their giving priorities? Did a contact at the foundation leave? Or, did your organization just stop asking?

C: New private and corporate foundation opportunities

Next, turn your attention to sourcing new private and corporate funding opportunities for your C list. This involves conducting a new funding search on one of the grants research websites, such as The Foundation Center. Start by doing a basic search for those foundations and corporations that give to your cause in your city. Compare this list to those already recorded and research fully any that are not already on your list. Be thorough while working through this list, looking at limitations and making sure you are a good fit. Examine their 990s to see which organizations they have given to – be brutal and only select those that are a great fit. Then, print off their funding guidelines and file in your desk C file and record the information in your spreadsheet.

The next step is to investigate where your competitors are getting their funding from. Using search engines such as www.foundationcenter.org or www.GrantStation.com search for other non-profits doing similar work in your city to see where they are getting their funding from. Chances are, if a foundation will give to them, they will be interested in your work too. This approach works time and time again.

This inventory or audit will take some time but it is worth it. It will become an invaluable document for in-depth information and will be a critical part of your funding plan. To spread the task over an extended period of time, you may want to tackle one file drawer one month and take a month off before tackling the next drawer.

Case Study on Research - How Digging for Treasure Really Works

A few years ago, I conducted a foundation audit for one of the organizations I worked for, going back over files from the last 20 to 30 years. As I conducted this research, one family foundation stood out. It had consistently given \$2,000 to \$3,000 annually over a 20 year period of time and then stopped giving in 2005. Why was that? Perhaps the foundation got overlooked due to more pressing applications in the pipeline? Perhaps a grant writer left and lost contact with the foundation? Perhaps the foundation changed its giving priorities? The only way to find out was to call.

I called and talked with the new executive director who expressed a keen interest in coming for a site visit. In fact, she told me that she had been thinking about our organization and had always loved the work we did. For the next year I kept her abreast of our work and arranged a site visit and time with our CEO. I waited until we had a significant need that fit their giving guidelines and submitted a proposal. Within a week the foundation sent us a check for a six figure amount. This gift started a relationship that has led to a wonderful partnership. And it all started with research.

I am convinced that there are other troves of hidden treasure just waiting to be uncovered in many non-profits around the country, so I encourage you to dig deep and see what you can find.

STEP THREE

WRITE A STAND OUT PROPOSAL

NOW THAT YOU HAVE ORGANIZED YOUR FILES AND DONE YOUR RESEARCH, IT'S TIME TO TAKE AN HONEST LOOK AT YOUR PROPOSALS. It's easy to become complacent, taking a previous grant writer's proposal and adding touches here and there without figuring out ways to make yours really stand out from the pack. In this increasingly competitive market you can't afford to be complacent about the quality of your grant writing, so it's important to take the time to do it right.

The most successful proposals are written concisely and deliver a simple yet compelling message. Simple, however, does not mean easy. Writing a stand-out proposal takes time, discipline, and the willingness to take a brutally honest look at each part of your proposal. From my experience, the best proposals have the following components:

Keep it Simple

Avoid jargon and write in plain, simple English. Write as if you were having coffee with a friend and explaining to her/him about the work that your organization does. There is no need for complicated sentences or high-brow explanations to impress. Keep the proposal to no more than four pages (unless more is requested), and concentrate on the quality of each sentence rather than the quantity of information provided.

Get to the Point

Most proposals are won or lost in the first two paragraphs. If you don't capture the attention of the reader from the start you will lose them. Foundations want to know in the very first sentence who you are, what you do and how much money you want from them. In the second sentence they want to know what you are going to do with their money, with the rest of the proposal expanding on each of these points.

Refine your Skills

Some grant writers think their way of writing is the only way, while others simply get lazy. Don't let yourself fall into either trap. Each and every time you send out a proposal, take the time to see how you can refine and improve upon the previous one. Be open to having others review and give constructive input into how you can more effectively communicate your story. Take time to regularly review your goals and objectives and freshen up your reporting documents. Constantly be open to new ways of doing things with the goal of keeping things simple and streamlined. Invest in books and on-line training resources to hone your skills.

Don't Settle

A good grant writer does not settle for “good enough”. Although it is easy to get tired and start sending out shoddy work, but you should never send out a proposal with the attitude that it’s “just about good enough”, even for a small request. It is a huge honor and responsibility to ask people for money and when we do not put in our best effort, it shows.

The very first boss I had was also the very best one - but she was also the toughest. Fresh out of college, I thought I could get away with doing a mediocre first draft of a writing assignment and have my boss finish it up for me. But every time I showed her my work, she would tell me to go back and try again. Finally, she told me that she didn’t want to see me back at her desk until I could come to her with my very best, close to final effort. What she taught me was that the only way to learn to be an excellent writer is to own the project all the way through – to push through writers block and to persevere until I had produced something I could be proud of.

So that’s what I did, and I’m forever thankful for those hard lessons. Don’t expect someone else to finish your proposal for you or to correct bad spelling or grammar. Give it your very best effort each and every time. As you review your proposal, these are some of the questions you should ask:

- Do I capture my reader right from the start?
- Do I explain, in plain and simple English, who we are and what we do?
- Does the mission statement accurately reflect who we really are?
- Do the goals and objectives make sense?
- Would I want to give to this project?
- Have I given this proposal my very best?

Hot Tips: Favorite grant writing resources:

GRANT WRITING 101 BY VICTORIA JOHNSON
BEST PRACTICES IN GRANT SEEKING BY SAADIA FARUQI
GUIDE TO PROPOSAL WRITING (ALL EDITIONS), PUBLISHED BY THE FOUNDATION CENTER
FREE TRAINING AND WEBINARS LOCATED AT WWW.THEFOUNDATIONCENTER.COM
REGIONAL TRAININGS BY THE CENTER FOR NON-PROFIT MANAGEMENT

FOUR

STEP

CREATE & IMPLEMENT
AN ACTION PLAN

THE NEXT STEP IS TO CREATE A PLAN OF ACTION. Ideally, this is done at the beginning of each new fiscal year and involves taking an honest look at your research including current, past and new foundation funding opportunities (filed in your ABC filing system). Using this information, create an annual plan broken down into monthly action steps.

In developing this plan, the most important thing is to develop a system that works for you. I'm a low-tech kind of girl and for me, excel spreadsheets and priority listings work well. Other grant writers buy into project management systems such as Base Camp or Smart Sheet, which are great products if you prefer a more integrated system. My approach is very simple, using an excel spreadsheet with 4 tabs to record different slices of the grant writing process, including the following:

Foundation Research – a base-line document containing all my research

Action Planner – a working document for recording work monthly

Annual Planner – yearly fiscal plan of anticipated funding

Grant Tracker – a running record of grants received

Foundation Research

The Foundation Research document is the base-line document that you create as part of your foundation research and contains the largest amount of background information as outlined in the table on page 9. It provides a rich source of information for planning and strategizing and should be used to build on year by year. Record deadlines, funding history and special instructions to provide an in-depth record and “go-to” document for your organization and grants building campaign.

Action Planner

This is where you take the information gathered in your Foundation Research document and organize a monthly action plan. At the beginning of the fiscal year, look ahead and go month by month, prioritizing foundations according to deadlines, size of grant and chances of funding. Always start by making sure that your favorite foundations on list A are prioritized for submission each month. Based on research and experience, you can be confident these will be funded, so these need to be completed first. Then add foundations from list B and C based on the next best chances of funding – first those foundations that may have given in past years but have not given recently, followed by those foundations that are new.

As the year gets started start working one-by-one on each proposal. Remain flexible and add new opportunities that may come your way, shuffling assignments according to changes in priorities that might come as the year goes by. This action plan provides a quick and easy tool to use day by day, for monthly and annual planning, and as a tool for reporting to your boss or clients.

GRANTS ACTION PLANNER

MONTH	WEEK	FOUNDATION	PROPOSAL	LETTER OF INTENT	PROJECT DESIGNATION	REPORT	REQUEST AMOUNT	COMMENTS
	ONE							
	TWO							
	THREE							
	FOUR							

Annual Planner

Prepare an at-a-glance spreadsheet of anticipated funding for the coming fiscal year. This is a great tool to manage expectations and can then be used by the CFO and Board of Directors to plan for income for the coming year. No grant can be 100% guaranteed, so attach realistic percentages to each grant based on the probability of full or partial funding. This helps prepare everyone for the realistic possibilities for grant income during the coming year.

Grant Tracker

This is a nuts and bolts record of grants received, recording which project was funded and for how much. This resource is used to report to your boss, the Board of Directors, or Foundations wanting to know where funding has been procured. It is also a useful tool to be used year in, year out as a way of maintaining consistency and ensuring that you go back to the same grants each and every year.

STEP FIVE

BUILDING MOMENTUM

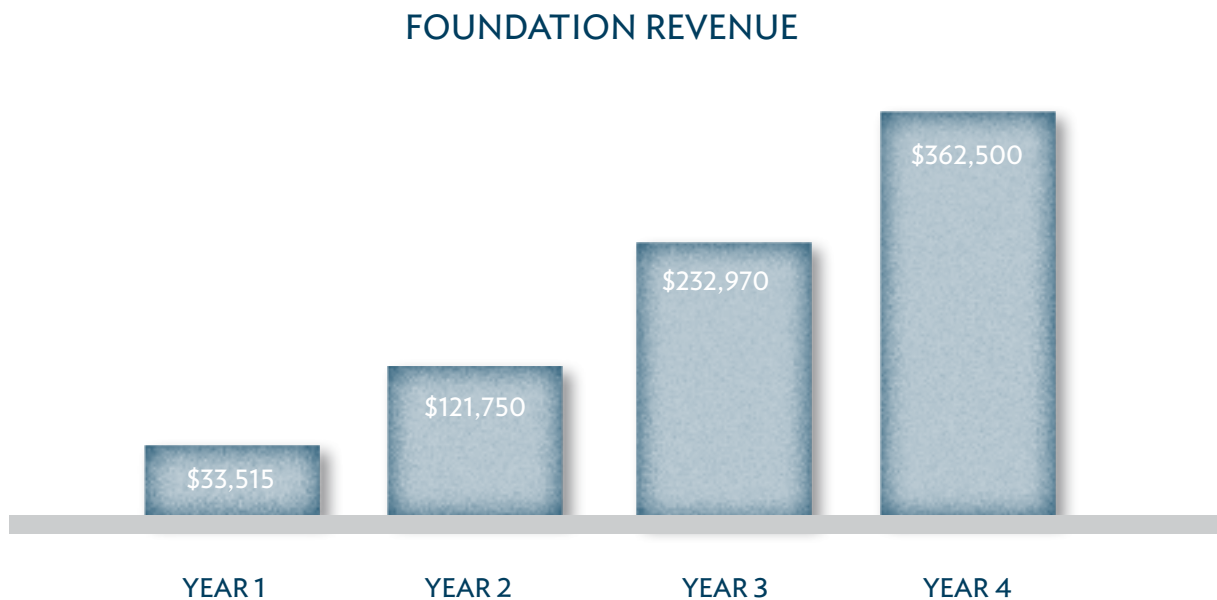
NOW YOU ARE ORGANIZED, HAVE DONE YOUR RESEARCH AND HAVE A PLAN, YOU CAN GET TO THE BUSINESS OF BUILDING REVENUE. AS YOU WORK YOUR PLAN, REMEMBER THE FOLLOWING CRITICAL STEPS:

- Develop your plan and stick to it. Follow through on your ideas, stick to your time line while at the same time remaining flexible in case exciting new opportunities come along.
- Make sure you go back each and every year to all foundations that have given to you in the past. These foundations are your bread and butter so do not neglect these no matter how small their contribution. Failing to go back to previous funders is the most common mistake made by most non-profits around the country – rectifying this has been my single most successful approach to boosting income.
- Make sure that the larger grants from your A list are scheduled to be written, submitted and received within your current fiscal year. Be mindful of foundation deadlines and, if possible, make sure that you get your grant submitted in time for a decision to be made in the current fiscal year. One or two five to six figure grants like this can be a considerable boost to your grants revenue building effort.
- Start to increase your ask from your A list foundations each year. If they have given \$2,500 consistently, try asking for \$3,000 in the coming year. If you increase your ask across all your A list foundations by at least 10% each year, you boost your chances for an increase in revenue of about 3-5% over the coming year.
- Don't ignore your smaller grants -- these smaller gifts can end up becoming much larger if the relationship is nurtured. In my experience, some \$2,000 gifts can end up being \$100,000 gifts a few years down the road.
- Commit to increasing the number of proposal submissions each year. Depending on work load, start by trying to submit 1 new proposal from your B or C list every other month.
- Know your deadlines. You do not want to risk waiting until there is no money left in their budget. Many corporations spend their community giving budgets in the first quarter, so squeeze in those requests early. Some foundations have rolling deadlines, others twice yearly Board meetings, others give their money away at the end of the calendar year. Make sure you time your proposal for just the right time in the funding cycle and your chances of funding will improve.
- Relationship building is a critical part of your grants revenue building campaign. You have to work on building that relationship in ways other than just submitting a proposal. A few tips include:

- Pick up the phone: Remember that people who work for foundations are actually on your side. Their job is to give money away and most foundations are open to finding out about new opportunities. Moreover, private foundations were founded by individuals and families who want their wealth to help change the world, and in addition IRS rules mandate distributing 5% of their assets each year. Although some foundations have curtailed their giving due to the economic downturn, others are still open to new opportunities, so don't automatically take your organization out of the running. Those working in the foundation world have dedicated their careers to serving and trying to help change the world – the very thing we are trying to do as well. Go ahead and pick up the phone. Their contact information is available on their websites, so don't be shy. These calls can start to build trust and an on-going interest in your work, which can lead to funding for many years to come.
- Don't inundate with information or emails: While E-mail is an awesome way of communicating with your foundation contact, make sure you don't inundate foundations with information. A quick update once or twice throughout the year is helpful, but it has to be a legitimate update – perhaps a newsletter or video that shows a story about someone who has been helped through the project being funded.
- Keep track of staffing changes: Stay in touch with program officers throughout the funding cycle. Program officers are responsible for analyzing requests, pitching new funding opportunities to the Board, and accounting for money spent. You can help make their job easier by supporting them in their job, reporting on time, or informing them of any changes (both good and bad) that might be happening at your organization.
- Finally, don't wait for perfection with each grant – give them your very best effort, get them approved, and submit.

A Case Study – Does This System Really Work?

The outcomes below came as a result of working the steps outlined in this guide at one of the non-profit organizations I have worked with. As you can see, as we worked the plan we managed to make significant gains in our foundation revenue-building efforts:



In conclusion, as you implement these five steps your grant revenue should begin to grow. It might be slow at first, but stay focused and your grants campaign should lead to growth in revenue and ultimately to more changed lives – which is really what grant writing is all about.

REVENUE BUILDING CHECKLIST

REVENUE BUILDING CHECK LIST

Got it!

Getting There

Help!

Step One: Get Organized

Reorganize hard copy and computer files
Define roles, establish protocol
Streamline work flow

Step Two: It's All in the Research

Conduct an internal grant funding audit
Re-evaluate current funders
Research new opportunities
Explore competitors' funding

Step Three: Write a Stand-out Proposal

Organization History
Mission Statement
Needs Statement
Program description
Goals, Objectives, Outcomes/Evaluation
Budgets

Step Four: Plan & Implement an Action Plan

Create a targeted, 12 month action plan
Prioritize and track grants
Execute your plan

Step Five: Build Momentum

Stick to your plan
Build meaningful relationships
Just do it! - Get writing and submitting
Increase number of grants submissions

ABOUT

THE AUTHOR

Rachel is founder of Repko Grants, Inc, a consultancy dedicated to helping non-profits build revenue from private and corporate grants.

A native of Great Britain, Rachel began proposal writing while working at London-based public relations company, The Rowland Company (TRC). On moving to the United States in the 1990s, Rachel began her non-profit grant writing career at international relief and development organization World Vision.

After a brief hiatus to stay home with her three daughters, Rachel returned to grant writing and consulting in 2004, building a successful track record of funding for Los Angeles-area organizations where she helped increase grant revenues by more than 50% during the first year of consulting contracts.

Rachel now has fifteen years' experience under her belt, helping to raise millions of dollars in grant revenue. Her experience has made her an expert in the area of grant writing, research, and building revenue from private and corporate foundation grants.

Rachel has a BA honors degree from Durham University, England, and has completed grant writing training at The Flintridge Foundation and UCLA. She lives in Arcadia, California with her husband and 3 teenage daughters.

