



How To Receive Funds From a Foundation

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Advising leaders in philanthropy

Introductions



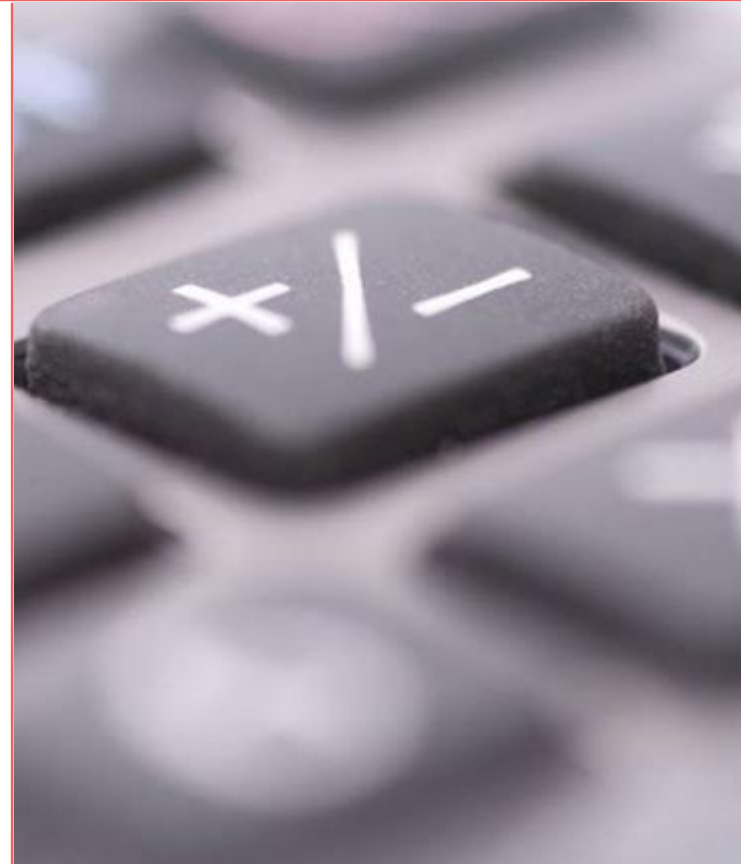
Practical Advice

How to write

What to watch for

Important tips

Field perspectives



Disclaimer

- **'If you've seen one foundation, you've seen one foundation.'**
- **My word is not law, only based on my experience.**
- **Including public funds (government); not a 'foundation.'**



What do you need to receive funding from a foundation?

Administrative requirements

State registration to solicit on behalf of non-profit





To receive funds from most foundations, your charity will need to be a registered 501(c)(3) nonprofit. Foundation grants are most often awarded for a specific program or distinct purpose. Foundations often focus on giving to a specific population: people in a particular demographic group or specific geographical area or specific area of interest: substance abuse, the environment.



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All foundations are themselves charitable organizations, which are tax-exempt under Section 501(c)(3) of the Internal Revenue Code. But their funding comes from different places.



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How do you receive funding from a foundation?

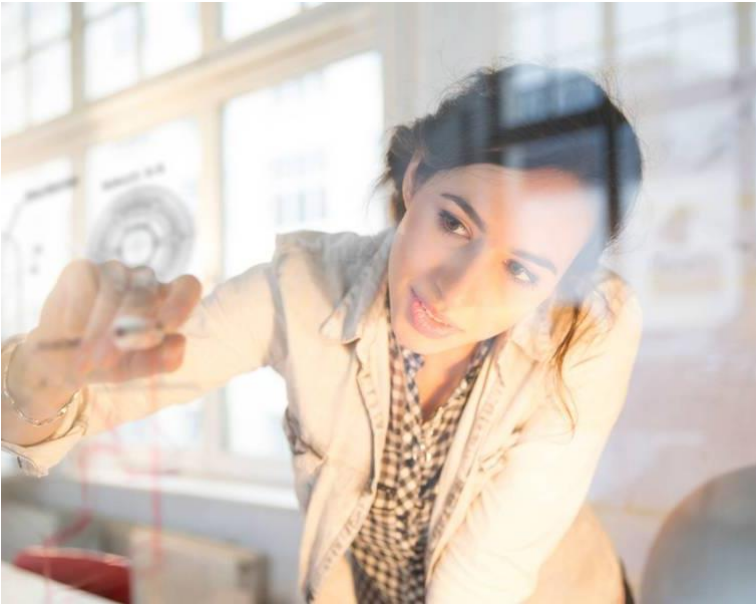
Online application

Paper

Person-to-person contact

Other channels...





Application Process Varies

By type of foundation

1. Corporate
2. Family
3. Private
4. Community Foundation
5. Government



Family-based foundations

- Family-based foundations are sometimes so private that you might think they want you to just go away and leave them alone. Or they may just not be staffed by a full-time employee.
- Informal application process; if any.

Corporate foundations

- Corporate foundations account for a small percentage of the foundation money granted yearly. That's because most corporate giving is given out directly by parent corporations rather than being channeled through foundations.
- Formal application process



Public foundations

- Public foundations don't have a source of cash backing them up. They must typically forage for their own funding in order to make grants. They might have a focus or list of interests, but they also need you, as a member of the nonprofit community, to feed them exciting new ideas that they can use to stimulate their donors' interests.
- Formal application process

Private foundations

- Private foundations are usually funded by a wealthy individual or one or more families or corporations. They thus often follow the narrow interests of their founders. Private foundations must spend at least 5% of their investment assets on philanthropy each year. (This includes money spent on reasonable administrative expenses, such as salaries, facilities, and travel.)
- Formal application process



Government

- Public funds often allocated via competitive grant process.
- Application requirements can be highly technical and heavy on administrative requirements.
- Formal application or RFP (Request for Proposal) process.
- Tight deadlines with no allowances.
- Community members and/or technical experts on review panel.
- 'Cone of silence'





Who makes the final decisions?

- ❑ Board of Trustees: Family, Private and Public Foundations
- ❑ Advisors (Internal or external): Corporate Foundations
- ❑ Community Members: Public funding and select Foundations



Private Foundations

Required to payout 5% of assets

Pay annual excise tax of 1-2%

The excise tax was supposed to fund IRS oversight mechanics of private foundations; does not



Private Foundation Governance Requirements

- IRS Reporting
- Form 990
- Publicly available documents



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No oversight of grantmaking decisions

Records of meetings, decisions, internal documents, emails

not public record



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Closed v. Open foundation

- Purpose clearly stated
- Physical presence (not a PO Box)
- Information readily available
- Grantmaking and contact for a human being
- Working phone number and email





Other types of foundations

- Family (Zuckerberg)
- LLC is not a private foundation
- Gates (Family)
- Corporate (Wall Mart/Bank of America)



Grant application considerations

- b. Financial
- c. Strategic



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- Finances
- Governance
- Leadership
- Staffing
- Record of impact
- Connectivity with partners

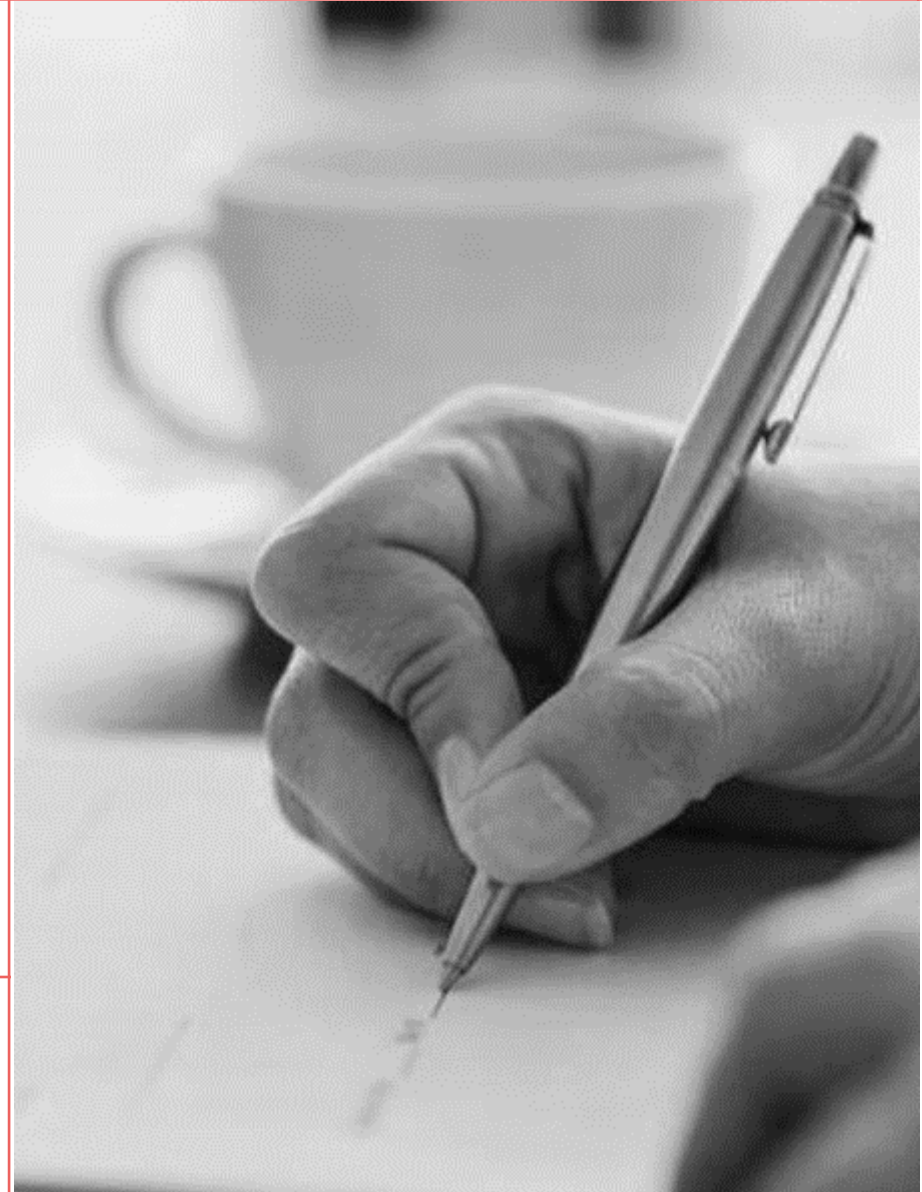


Due Diligence



Competitive Process

Look for the best opportunities
with the greatest impact



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What will foundations provide funding to support?

- Hire staff person
- Marketing
- General Operating
- Capital Campaign



Size of the grant is dependent on:

- Ability of agency
- Track record of success



- ❑ Sustainability: program ‘lives’ after the grant
- ❑ Best projects involve more than one partner
- ❑ Built on strong collaboration
- ❑ Cross-sector
(business/government/non-profit)

**What makes a
‘good grant?’**



Where to find funding online:

- ❑ <https://candid.org/>
- ❑ 990 Finder
- ❑ Guidestar



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Other Ways

- Grants listed on 990s
- Press releases covering events or organizations



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Audience is critical

- 1. Expertise**
- 2. Content Knowledge**
- 3. Direct 'lived' experience**





Audience research

- Website
- Individual Bio's
- Company webpage
- Linkedin



Impact 100

local leaders

The Great Give

Individual donors

Other ways to connect with your audience





Other ways to get a grant

Personal or professional
connection:

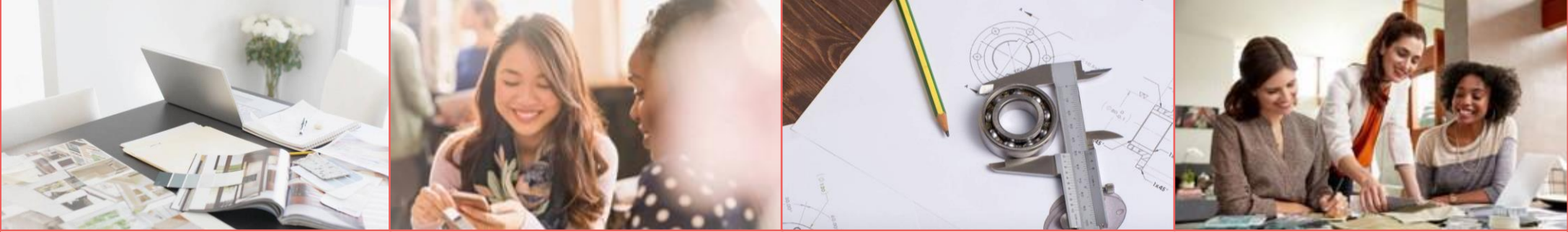
Board members

Advisors to board
members/philanthropists

Legal/financial advisors



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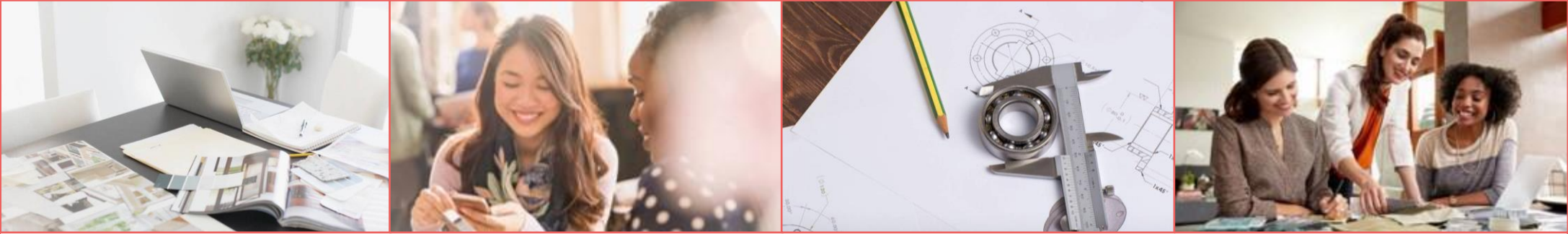


Administrative Considerations for grant applicants

Grants management system

- Deadlines
- Contract management
- Program management
- Deliverables

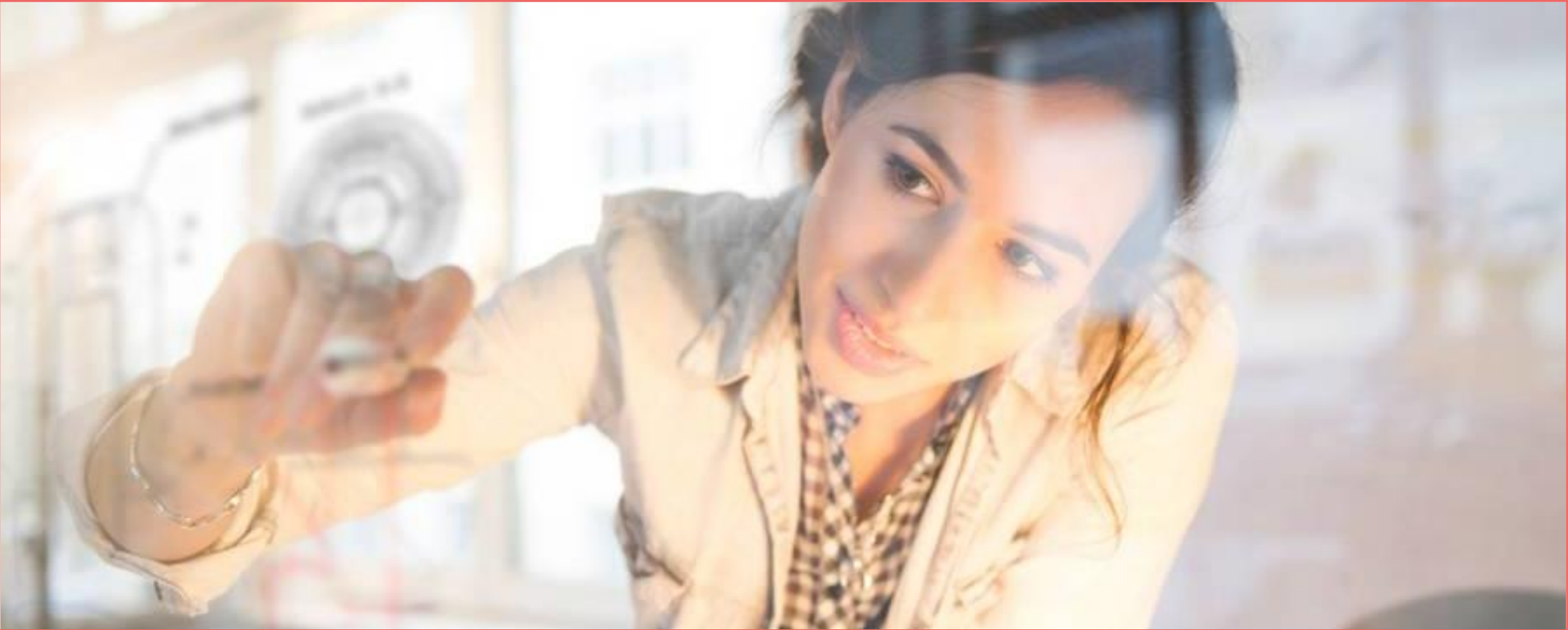




‘Make of Break’ Considerations

- ❑ Reports (don't miss the deadline!)
- ❑ Stewardship
- ❑ Transparency





QUESTIONS?

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