Effective fundraising for nonprofits

The mission of nonprofit organizations usually centers around altruistic acts — selfless concern for the well-being of others — rather than turning the largest profit possible.

In this guide, we will discuss fundraising practices for nonprofits, including grants, private donors and corporate donors.

View guide
Introducing Chad Jester

Chad Jester
Vice President of Corporate Citizenship and President of the Nationwide Foundation

Chad sheds light on how Nationwide’s deep relationships are key to corporate support:

“Giving back and helping create strong communities is built into Nationwide’s character as a company — into who we are, how we think and how we act. Protecting people, communities and the things they hold dear is more than just our business; it’s a deeply held sense of purpose by a remarkable collection of people we call Nationwiders who make choices every day that touch and improve many lives.

"In the same way that individuals make choices to get involved and make a difference, companies must also make those choices. We have a responsibility to be active players in our communities, offering our resources, our perspective and our leadership to make them stronger and healthier.

“For us, this is evidenced by our long-standing relationships with four national partners. Our associates began donating blood through the American Red Cross in 1944; our first United Way campaign was held in 1951; and our support of hunger relief — which eventually culminated in a partnership with Feeding America — has been ongoing for nearly four decades. And we’ve been transforming lives at critical moments at Nationwide Children’s Hospital for more than 60 years. In addition, hundreds of smaller nonprofits across the country benefit from more than $30 million the Nationwide Foundation distributes to communities each year.

"I’ve had the privilege of leading Nationwide’s dedicated Corporate Citizenship office for more than a decade, and I’m proud that our national partners regard us among their most ardent supporters, both from a corporate standpoint and our associate engagement.”
More from Chad

Here's what we think about when considering nonprofit support:

“As a Fortune 100 company with a strong foundation, we could have a significant impact if we gave a little to many organizations. But we’ve been successful because of our commitment to a long-standing citizenship strategy that is focused, deliberate and centered around what we call our Community Impact Model. This gives us the ability to have a much greater impact in nearly two dozen Nationwide communities.

When making funding decisions, we calibrate the nonprofit’s mission in accordance with our Community Impact Model to help us prioritize our investments. Within each tier — Emergency and Basic Needs, Crisis Stabilization, Personal and Family Empowerment, and Community Enrichment — we have the flexibility to support organizations or initiatives based on what communities need most. Our top priorities are blood donation, children’s well being, disaster relief, economic empowerment, food security, behavioral health and addiction services, and shelter.

Additionally, everything we do must resonate with our associates. By aligning workplace giving, volunteerism and corporate support with our philanthropy, we produce even more profound results. Our associates volunteer more than 100,000 hours a year, much of it at company-sponsored events during the workday. They contribute to our annual hunger relief and community giving campaigns. And our leaders lend their time and talent serving on nonprofit boards. It’s this integration of all three aspects — philanthropy, workplace giving and volunteerism — that offers the strongest possible support and delivers the most effective outcomes.”
Forging successful relationships as a nonprofit

“So now that you’ve learned how companies like Nationwide approach their community citizenship, what can a nonprofit like yours do to embark on a successful corporate partnership? In its simplest form, do your homework. Here’s how:

• It’s not just about the money. Corporate social responsibility (CSR) is evolving from being less about philanthropy and more about strategic community civic engagement aligned with a company’s business model. This means being a collaborative partner rather than just a recipient of goods, services or money. Help educate the company’s leaders and employees about your cause; offer metrics, both local and national; and convene other agencies and companies to address the issues (or their underlying causes) that your organization represents.

• Approach companies that share a similar or complementary industry or mission. In-kind donations of surplus goods could open doors for future financial support. For a homeless shelter, partnerships with consumer goods or personal hygiene companies make sense. A food pantry could consider local grocers, restaurants or farmers. Animal shelter? Pet food companies, pet stores or veterinary practices could be a great fit.

• Reciprocate with opportunities. Not only will your organization benefit from volunteers and board service, but companies today are finding that community service opportunities for their employees aid in recruitment and retention. It’s a win-win.

• Be ready to answer the hard questions. Prove you’re a worthy, transparent partner by sharing your:
  - Financials. Show you’re a good steward of your current funds, and then know what you’re asking for and how you’re going to use it.
  - Governance structure. Your charter, articles of incorporation and board members are important in demonstrating your values and may give companies additional points to align themselves with you.
  - Strategy. A clear direction with SMART (Specific, Measurable, Achievable, Relevant and Time-Bound) goals assures prospective corporate partners that you’re in it for the long haul.
  - Collaboration with others. Develop and share your plan to engage other partners — corporate, nonprofit, civic and government agencies — to join forces in tackling the challenges.
  - Outcomes and metrics. The hardest to demonstrate but the most important in terms of long-term partnership is a preparedness to show (on paper) where a company’s investment will go and what quantifiable results will be obtained in what time frame.”
More from Chad

Conclusion

“While our loyalty to our corporate citizenship strategy may cause us to miss opportunities with many deserving organizations, it’s enabled us to measurably impact our priority areas. As a nonprofit, there are many companies with which to partner. And while the relationship may be slow to start and the support light at first, the long-term, deep relationship will be the most impactful to your mission.”
The pros and cons of grants, and what your options are

Grants can be an excellent resource for a nonprofit organization. Not only do they provide funding that usually doesn’t need to be paid back, but they signal to you — and other potential granting agencies — that your mission and business plan have legitimacy and value. However, finding and applying for grants can be a difficult, time-consuming and very competitive process; pros and cons should be taken into consideration first.

If you decide you want to pursue a grant, the first step is to determine how much funding you’ll need and what exactly it will be for. Once you’ve determined this, you can begin researching potential sources.

In general, there are two broad categories of grant sources:

• Public grants, from local, federal or state governments
• Private grants, from foundations or corporations

You can apply to all of these entities, but your best chance of obtaining a grant will probably come from local or regional sources. Look for local foundation directories to help you find grants to target. You can also look for networking events at which representatives from foundations may appear.

Part of determining which grants to apply for is understanding what will be required of you if your application is accepted. As you look at your options and apply for grants, be sure you meet the associated qualifications. Learn more about determining what type of grant may be the best fit for your nonprofit organization.

PROS

• Funding can be substantial and generous
• The reception of one grant can make your organization more likely to receive others
• Grants can enhance the perceived credibility of your mission and organization

CONS

• Research can be time-consuming
• Writing grants can be difficult for those without prior experience
• Competition is fierce
• Grant funding typically comes with extensive reporting requirements and guidelines from the agency

Public vs. private grants

Ultimately, the grants you apply for should be based on what’s available to you and what your organization is qualified for. This is likely to include a mix of both public and private sources. Institutional grant opportunities can be more difficult to find than government grants, but securing the former can be easier when you do find a good match.

As you navigate the early stages of your grant planning process, it can be helpful to know some of the advantages and disadvantages of the types of grants you have available to you:

<table>
<thead>
<tr>
<th><strong>PUBLIC</strong></th>
<th><strong>PRIVATE</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ADVANTAGES</strong></td>
<td><strong>DISADVANTAGES</strong></td>
</tr>
<tr>
<td>• May be more likely to award larger grants</td>
<td>• More open to new or experimental ideas</td>
</tr>
<tr>
<td>• Easier to find and research</td>
<td>• Application processes can be more relaxed or shorter</td>
</tr>
<tr>
<td>• Application processes and deadlines are well-communicated and reliable</td>
<td>• Less bureaucracy and compliance</td>
</tr>
<tr>
<td>• Ample resources for help or questions</td>
<td>• Can provide alternative forms of assistance if funds are not available</td>
</tr>
<tr>
<td>• Often use standard or common application forms</td>
<td>• Applicant pools are often smaller and less competitive</td>
</tr>
</tbody>
</table>

There is a lot to consider when deciding between a public or private grant source. The good news is that you don’t have to settle for an either/or situation. You can seek both private and public funding options; in fact, it’s wise to not become too reliant on one or the other. Just keep in mind that the application process will not be the same for both. Learn more about the factors to consider when applying for a public and private grant.
How to apply for a grant

When you've determined your funding needs and the category of grant sources to which you'll be applying, you can begin looking for specific public or private grants. You should make an effort to find grants that fit your nonprofit not only in terms of your mission but also your geography.

Read full article
The value of private donors and how to attract them

You cannot rely on grants alone to fund your nonprofit. A diversity of income streams can protect your organization against the potential disruptions of turnover or policy changes within the public or private institutions that provide grant funding. Donor funding, both private and public, can be an excellent source of supplementary income that often comes with few or no strings attached. Private donors have become the primary funding source for many nonprofits, largely due to the comparative efficiency of gaining their support.

The search for private donors should be constant and thorough. Below are three common ways that nonprofit organizations can successfully attract these generous supporters:

**Personal connections:** A good place to start is to look at the relationships you and your staff have. Fundraising consultant Amy Eisenstein recommends a helpful exercise that has each staff member draw a circle on a piece of paper with their name in the middle and a group they’re associated with in a circle on a spoke from the original one. These groups would be friends, family members, co-workers, etc. From there, try to identify people from each group who may have some disposable income to share and who have an interest in your cause. If everyone on the staff participates, you can potentially generate a sizable list to start from.

**Events:** Events, including sales, are a major part of attracting private donors. First, you must determine the goal for how much you need to raise, then figure out what audience you’re going to target. Plan what the event will be and where you will hold it. Much of this will depend on your budget, which also must be determined ahead of time.

**Crowdfunding campaigns:** Crowdfunding campaigns are a popular way of gaining private donors on the internet. Best results are achieved by setting a goal and deadline and putting together a compelling pitch that will attract eyeballs and dollars. It’s a good idea to use a platform, such as Indiegogo, that will allow you to keep any money contributed even if your goal is not met. Some platforms, such as Kickstarter, do not. Utilize social media (and influencers, if possible) to spread the word.

Read the full article
How to retain private donors

If you’ve managed to find donors, you’ve already overcome a major obstacle. Keeping them donating over a sustained period of time, however, is not always an easy feat. According to npEngage, a nonprofit research and news publication, 3 out of 4 new donors donate only once.¹ To increase ongoing donations, your nonprofit must deliver on new donors’ expectations, engage with them to ensure satisfaction, and remind them that they are a crucial resource helping you succeed in your mission.

Here are some simple ways to keep your donors involved, rewarded and open to donating again:

1. **Maintain strong supporter relationships** — consider ways to stay in touch with donors through communication vehicles like newsletters, thank you messages, and by keeping a social media presence.

2. **Allow donors to give back in other ways** — give donors diverse options for contributing such as online fundraising pages, volunteer opportunities, or texting campaigns.

3. **Try peer-to-peer fundraising** — empower volunteers to fundraise on their own through things like fundraising guides and by recognizing these fundraisers for their efforts.

4. **Make giving more convenient** — Consider ideas like recurring and matching gifts, and low dollar fundraisers.

5. **Follow up with lapsed supporters** — find out how to re-engage lapsed supporters. Consider things like sending out surveys and sending re-engagement letters.

When it comes time to ask for a donation renewal, don’t be shy; donors understand that you need funding and won’t be put off when you ask again. Send out a regular newsletter containing different donation options, such as a new one-time donation, setting up a monthly or annual donation, or an option to upgrade a recurring donation. Provide clear calls to action and as many payment options as possible.

If you’ve done a good enough job of convincing them of the value of your organization and mission, then you’ve given yourself a good chance at a repeat donation.

The value of corporate donors and how to attract them

For many nonprofits, the grants or private donations are not enough, and corporate donations can help fill potential gaps in your organization's funding needs.

Attracting corporate donors is very different from seeking private ones, and in some ways, it's more straightforward. Although the process can be a bit more time-consuming, the benefits of corporate donations are obvious. On top of the obvious good feelings of donating, companies that give to nonprofits gain valuable tax benefits and brand equity. This is your main ammunition when approaching corporations: the bottom-line benefits of donating to your nonprofit. Learn more about finding the right corporate donor for your organization.

NCVO Knowhow Nonprofit, which offers advice and support for nonprofits and volunteer organizations, recommends taking the following steps when approaching a corporate donor:

1. **Make connections.** Begin by considering the companies you have existing contacts with, whether they're personal or professional. Expand your network via sites such as LinkedIn, or more formal networking events.

2. **Identify the right person.** Find the right person in the company with whom to initiate contact. Often, the person in charge of corporate social responsibility — if you can find one — is the best bet.

3. **Think about nonmonetary support.** Consider first suggesting that a company donate employee volunteer time or items for auction or post fliers around the office.

4. **Think about what you can offer in return.** Make a strong case for why the company would be interested and what they will get out of the relationship. Tell them about the brand and tax benefits for companies that donate.

5. **Make the request.** A formal letter, followed by a telephone call, that expresses in explicit terms why their financial support would help and how much you may need is a good way to make the first request. An in-person meeting is often a good idea, especially for larger requests.

6. **Say “thank you.”** Remember to say thank you and validate their donation early and often.

7. **Consider ethical dilemmas early.** Throughout the process, make sure you’re considering how well the corporation and its brand mesh with your ethics and mission. Money is great, but it should come from a company that you feel aligns with your values.
How to retain corporate donors

Your strategy for retaining corporate donors should be similar to the one you have for retaining other donors, but it should have more of a business partnership slant to it. In fact, that’s exactly how both you and the corporate donor should approach your relationship: as a mutually beneficial partnership.

Unfortunately, many partnerships lose steam as time goes on, and if you want to keep the donations coming in, it may be up to you to get the ball rolling and remind your business partner what they stand to gain from your continued relationship. Below are some statistics you could cite, according to NonprofitHub3:

- 91% of global consumers are likely to switch brands to one associated with a good cause, if price and quantity are comparable.
- 61% of consumers are willing to try a new brand they’ve never heard of because of an association with a particular cause.
- 50% of consumers say they are willing to pay more for goods or services if they know a company is giving back to society.

How to retain corporate donors (cont.)

To ensure that your relationship with corporate donors stays strong, review what your business relationship was based on when it originally started. What expectations did you set when the partnership first began? Is your organization living up to its end of the bargain? How can you do so at a greater level? Are your efforts easily recognizable? Can you show evidence of the good you’ve been able to achieve as a result of your organization’s work? Can you demonstrate how the partnership has helped the donor?

You can keep corporate donors updated about your efforts through newsletters (both print and email) as well as through personalized emails and letters. Clearly discuss how the money (or goods/services) they’ve donated have helped in your mission.

Don’t update them only about your ongoing efforts. Always be thinking about new ways in which you can work together, and keep floating these ideas by the business. Ask them about any ideas they may have about working together. Always be willing to give some time and resources back to your donors.
Fundraising for nonprofits

**Fundraising risks and laws**

Fundraising is a crucial element in the survival and success of your nonprofit and its mission. Because of this, it is important to stay diligent and informed as you and your team conduct fundraising activities. Here are three common fundraising risks, according to the Nonprofit Risk Management Center:4

1. **“Failure to anticipate donor trends”:** Donors’ wants and expectations change over time. Today’s donors generally expect a quick acknowledgment of their support and greater transparency about how their support brings your mission to life. When you fail to anticipate how donor preferences might be evolving, you run the risk of losing longtime donors to a competitor.

2. **“Falling prey to viral fundraising pitfalls”:** We all love the hype surrounding massively successful viral fundraising campaigns. Wouldn’t it be great to engage hundreds of thousands of donors in a single day? Miracles do happen, but as you design your campaigns, be wary of viral fundraising risks. Fundraising has become a complex, multifaceted process requiring diverse strategies and communication platforms. Donor demographics are less stable as well. Nonprofits face unpredictable donor longevity and unclear pathways to deeper engagement with patrons. Perhaps the most worrisome pitfall is that donors have their own control and influence over a nonprofit’s viral fundraising. A Twitter campaign may be wildly successful until a concerned donor tweets about your fundraising expenses.

3. **“Improper use of restricted gifts”:** Most of us know that some donations come with strings attached. If a donor requests a gift be spent on a specific program or project, your nonprofit should be sure the money goes there. Donors may become angry or request the return of a gift if it is allocated improperly. This may lead to legal action or a public perception that your nonprofit spends funds unethically.

For more information, read the NRMC’s compete article.

---

Get more information

The Nonprofit Risk Management Center also reminds you that, if your nonprofit is soliciting charitable donations, you may be legally obligated to register as a charitable soliciting organization in your state. For most states, this can be done via the Unified Registration Statement (URS). To learn about the requirements in your state, use this interactive map on the URS website.

Your organization should also be aware of, and follow, the CAN-SPAM Act of 2003, which protects customers and businesses from unsolicited electronic communications. A guide for businesses is available from the Federal Trade Commission here. Its mandates include:

- Do not use false or misleading header information
- Do not use deceptive subject lines
- Identify when a message is an ad
- Tell recipients where you are located
- Tell recipients how they can opt out of future communications
- Honor communication opt-outs promptly

For more information, read the NRMC’s complete article.

---

Terms to know

Below is a selection of intermediate fundraising terms that may be useful as you look to manage your employees. Read CFRE International’s complete glossary.

**Accountability** — The responsibility of the receiving organization to keep a donor informed about the use that is made of the donor’s gift as well as the cost of raising it.

**Advance gifts** — Gifts given or pledged in advance of a public announcement of a campaign. Advance gifts are solicited before a campaign is announced because the success or failure of a campaign may depend on the size of the advance gifts.

**Capital campaign** — A carefully organized, highly structured fundraising program using volunteers supported by staff and consultants to raise funds for specific needs, to be met in a specific time frame, with a specific dollar goal. Allows donors to pledge gifts to be paid over a period of years.

**Cause-related marketing** — An arrangement that links a product or service with a social cause to provide the cause with a portion of the profits received by the corporation.

**Charitable deduction** — The value of money or property transferred to a 501(c)(3) organization, deductible for income, gift and estate tax purposes. In most cases, the term “charitable deduction” refers to the portion of a gift that can be deducted from the donor’s income subject to federal income tax.

**Employee matching gift** — A contribution made by an employee to a 501(c)(3) organization, matched by a similar contribution from the employer.

**Grassroots fundraising** — Raising modest amounts of money from individuals or groups from the local community on a broad basis. Usually done within a specific constituency or among people who live in the neighborhood served or who are clients. Common grassroots fundraising activities include membership drives, raffles, bake sales, auctions, benefits and dances.

**Planned gift** — A gift provided for legally during the donor’s lifetime but whose principal benefits do not accrue to the institution until some future time, usually at the death of the donor or their income beneficiary.

**Renewal mailing** — A mailing to donors or members requesting renewed support.

**Restricted gift** — A gift for a specific purpose clearly stated by the donor.

**Seed money** — A substantial gift, generally by a foundation or affluent individual, to launch a program or project.

**Volunteerism** — The willingness of private citizens to serve voluntarily a great variety of programs and causes, both in fundraising programs and in other capacities.
Grant resources

- **GrantWatch** — No. 1 directory of federal, state, local, foundation and corporate grants in the U.S. and Canada.
- **Foundation Center** — Resource for nonprofits to find funders that match their interests and mission, and information that can help win funding from them.
- **Grants.gov** — Directory of thousands of posted public grants.
- **USA.gov for Nonprofits** — Federal assistance resources for nonprofits, with links to the websites for federal agencies that provide grants for nonprofits.

Trade publications

- **Philanthropy News Digest** — Publishes news on nonprofit philanthropy and fundraising.
- **The Chronicle of Philanthropy** — Provides a range of news and research about the nonprofit sector, including corporate support opportunities and fundraising tips and trends.

Associations

- **State-by-state nonprofit associations**
- **Association of Fundraising Professionals**
- **National Council of Nonprofits**

Regulatory group

- **The Federal Trade Commission**

The information included in this guide is designed for informational purposes only. It is not legal, tax, financial or any other sort of advice, nor is it a substitute for such advice. The information in this guide may not apply to your specific situation. We have tried to make sure the information is accurate, but it could be outdated or even inaccurate in parts. It is the reader’s responsibility to comply with any applicable local, state or federal regulations and to make their own decisions about how to operate their business. Nationwide Mutual Insurance Company, its affiliates and their employees make no warranties about the information, no guarantee of results, and assume no liability in connection with the information provided. CMO-0894AO.1 (06/20)
Determining the appropriate grants to apply for

There are many potential grant options out there, but finding the right one is no easy feat. You must be careful and diligent during the application process; otherwise, you risk wasting a lot of time and money on application fees. Figure out your goals and funding needs before you take on the task of applying for grants.

It’s a good idea to have someone with experience doing the grant writing (application completion) so it is handled with the care and attention to detail required to make the right impression. Each application should be tailored to the specific organization.

You can seek grants from foundations and corporations as well as from the government at the federal, state or local levels. Usually, your best chances of obtaining a grant will probably come from local or regional sources. Look for local foundation directories to help you find grants to target. You can also look for networking events where representatives from foundations may appear.

“Foundations generally give based on subject and geographic region, so look for funders whose interests match your organization’s mission, programs, populations served and locations served,” says Grantspace.org.

Local nonprofits tend to appeal to corporations and foundations as well, because they often like to establish connections within the community and support the local economy. In fact, a lot of foundations provide grants only to local nonprofits.

Seek advice on grants from your board of directors. Some may be involved with certain organizations that offer them or may know of appropriate grants to apply for. Look through grant directories such as Grantwatch.com or Foundation Directory Online (FDO) from the Foundation Center (FoundationCenter.org) to find potential granter based on category and interest.

To look at and apply for government grants, spend some time looking through Grants.gov.

If you are seeking a federal grant, make sure you are eligible to apply for and receive any grant before applying. Also, be aware whether you are applying as an organization or as an individual. Check Grants.gov for the categories of organizations eligible as well as the criteria for each.

It’s important to remember that you shouldn’t rely solely on grants for your funding. It’s much better to have a balance.

“Grant-based funding isn’t sustainable alone — it has to be part of a diversified fundraising plan,” says Nonprofit Hub contributor Marc Koenig. “Most recommend around 20% of your funding be grant-based; any more than that, and you risk sinking your organization if a key grant falls through.”

Part of determining which grants to apply for is understanding what will be required of you if your application is accepted. While not true with every grant, most have strings attached and are not simply free money for you to do with as you see fit. As you look at your options and apply for grants, be sure you fit the associated qualifications.

Often, first-time applications are not accepted, but if you truly believe you fit the criteria for a specific grant, be prepared to apply again at another time.

---

Institutional vs. government grants

While there are many grant opportunities out there for nonprofits, as you seek funding, you may wonder whether you should apply for private institutional grants or public government grants. Both have their advantages and disadvantages.

For example, government grants pay better, but they tend to take up more time and resources. Institutional grants, however, are generally much easier, though they aren’t likely to amount to as much money. Ultimately, the grants you apply for should be based on what’s available to you and what your organization is qualified for. This will probably include a mix of both public and private sources.

According to a study published by Wiley Online Library looking at a sample of 60 other studies, there is little to no correlation between government grants and private donations. It posits that nonprofits “should be more concerned about the capacity of competing for different funding sources rather than the trade-off among them.”

Promising institutional grant opportunities can be more difficult to find than government grants, but securing the former can be easier when you do find a good match. Look to local and regional foundations and corporations and go to networking events attended by representatives of these organizations. Some available grants from these sources are much less competitive than government (especially federal) grants because they just aren’t as well known.

One major benefit of a private institutional donation is that they don’t have to adhere to any rules about how the money can be spent. For this reason, foundations and corporations are often willing to contribute money to fund early-stage nonprofits or new endeavors by existing nonprofits. This money gives you more freedom to try out new efforts compared with what government grants allow.

Government grants are highly regulated in terms of how you can spend the money. The application process that accompanies these grants is also strenuous compared with public grant applications. The money will be more closely tracked with a government grant, and you’ll be on the hook for proving that funds were spent correctly. These grants, however, while generally more sizable than private grants, will also lend an air of credibility to your organization. They may also pay for the entirety of a project’s costs.

The transparency of a government grant goes both ways. Not only will you be required to report metrics, but you will also know upfront whether your grant will be eligible for renewal. Some government grants, however, require the nonprofit to match or share costs. Grants may also be jeopardized by politics and government budget cuts.

“Public grants are set into motion by legislative bodies, greatly increasing the resources and accountability of the grant project,” notes Aaron Marquis at Chron. “For example, if you have problems with the disbursal of your public grant, staff members are available to personally follow your case. You can address any continuing problems with the grant program with legislators using public hearings.”

With government grants you may get access to technical assistance, but another positive about private donations is that donations can extend beyond the monetary into hardware, software, equipment, etc.

The really good news is that you don’t have to settle for an either/or situation. You can seek both private and public funding options. In fact, it’s wise to do so and not become too reliant on one or the other. Just understand that the application process won’t be the same for both. Government grant application will be a much more time-consuming endeavor, and your chances of securing these grants are usually slimmer than for gaining institutional donations.

How to apply for a grant

Applying for grants can be very time-consuming and expensive if you’re not careful. That’s why it’s important to spend some time researching and making sure you’re applying for the right ones. Search for grants that fit your nonprofit. You can start with your preferred search engine or go right to a directory such as the Foundation Directory Online (FoundationCenter.org), Grants.gov, etc.

While it’s not essential, it’s a good idea to hire a grant writer if you have the resources to do so. This way you can have a dedicated person with the right experience putting in the bulk of the legwork while getting the best results.

“Grant writers research, draft and submit proposals that help organizations or individuals receive grant funding,” the United States Bureau of Labor Statistics explains. “To be eligible for funding, an organization or individual must have an objective that aligns with a grant’s specifications.”

You can add a grant writer to your staff or you can contract with a freelancer. Many grant writers are self-employed and build experience writing for a variety of organizations. As the bureau notes, grant writers usually perform other tasks as well, so if you add one to your staff, this can be only one aspect of their job.

It’s important not to underestimate the importance of the research that goes into grant applications. You’re simply not as likely to have success if you send the same thing to every organization to whom you’re applying.

“If you want a reasonable chance of getting your grant application accepted, you won’t be able to write one generic application and send off duplicates to foundations,” writes Marc Koenig at NonprofitHub. “You’ll need to do some intense research to tailor your application. And even when you do the work to stack the deck in your favor, there’s no guarantee you’ll be funded!”

If hiring a new staff member just isn’t in the cards, it’s also possible to get grant-writing training for an existing staff member. There are online classes and workshops that can help teach the skills needed to write effectively.

Each application is unique, so whoever is doing the writing must be sure to put in the research and ensure that your organization meets all criteria for the application at hand. It also helps to have a clear, realistic mission statement that is unique to your organization.

1 “Don’t Start Your Nonprofit Grant Writing Until You Read This,” Marc Koenig, Nonprofit Hub (September 2013), https://nonprofithub.org/grant-writing/when-to-start-nonprofit-grant-writing/.
Attracting donors — how to find private donors

You can’t rely on grants alone to fund your nonprofit organization. It’s best to have a variety of sources so you don’t become too reliant on any one or two in case these dry up. Among these sources should be private donors.

Private donors can be easier to gain money from compared with the government, corporations and even foundations, all of which have reportedly become more and more difficult to secure funds from.1 Many nonprofits get most of their funding from private donations.

A good place to start is to look at the relationships you and your staff have. Fundraising consultant Amy Eisenstein recommends a helpful exercise that has you and each staff member draw a circle on a piece of paper with your name in the middle and a group you’re associated with in a circle on a spoke from the original one.2 These groups would be friends, family members, co-workers, etc. From there, try to identify people from each group who may have some disposable income and share an interest in your cause. If everyone on the staff participates, you can potentially put together several seeds to start from.

When it comes to attracting donors who can contribute major amounts, you should identify prospects, research everything about them you can, and reach out to them and try to cultivate a relationship before asking them for a contribution.

If you can secure major donations, be sure to keep in touch with donors as time goes on, and you may be able to get sizable repeat donations.

Events, including sales, are a major part of attracting private donors. First, you must determine how much you need to raise. Then figure out what audience you’re going to target, what the event will be and where you’ll hold it. Much of this will depend on your budget, which also must be determined ahead of time.

“Simpler events, such as car washes and gift wrap sales, might appeal to members of the community who would like to support your cause but aren’t able to make significant donations,”3 says Jill Leviticus at Chron.com. “If you want to attract potential donors with more money to spare, higher-cost events such as galas and golf tournament can bring in more money, although operating costs will be higher to run these types of events.”

Crowdfunding campaigns are a popular way of gaining private donors on the internet. This means setting a goal and deadline and putting together a compelling pitch that will attract eyeballs and dollars. It’s a good idea to use a platform, such as Indiegogo, that will allow you to keep any money contributed even if your goal is not met. Some platforms, such as Kickstarter, do not.

Utilize social media (and influencers if possible) to spread the word.

---

Attracting donors — how to approach a potential corporate donor

Attracting corporate donors is a little different than seeking funding from other parties. For one, there are clear benefits to corporations for donating, beyond simply the good feeling of giving. They get tax benefits, which is reason enough to donate for many, but they also get to be seen in a positive light by consumers as well as potential job-seekers. Many people seek out employers who do good in the world. Companies can attract more customers, differentiate themselves from competitors, strengthen their brand and become more involved with their community.

Corporations may donate in the form of grants, payroll deductions for employees, or goods/services gifts. They may even have an existing corporate social responsibility (CSR) initiative, in which they are actively seeking to donate to causes that fit the company’s beliefs.

There are additional benefits of corporate donations to the nonprofit beyond the gift itself, as you may be able to capitalize on what consumers see in the corporation’s brand. You potentially have a whole new audience in their staff and customers, depending on the extent to which the corporation engages around your cause and utilizes the PR opportunities available. It can help if you come up with a pitch that will enable the company to spread the word.

The late Tony Elischer, former Managing Director at THINK Consulting Solutions, once said, “Charities will never have the marketing power of companies, but they can learn to capitalize on corporate access and success by thinking of creative propositions that companies will want to associate with and send to their stakeholders. Why would companies do this? Because they gain the association with your brand, goodwill and positioning. Make no mistake: This is a trade of benefits, but it will often feel an easier starting point for a company that may consider working with you.”

Start by coming up with a list of potential companies to reach out to. This may include those with whom your staff are associated as well as others who have shown interest in your cause or charitable giving in general. It’s also wise to seek out local businesses as these are often the best partners with whom you can develop close relationships.

Before you make any calls, take the time to research and learn as much about the company and its mission/culture as possible. You will have more luck if this is in line with your own cause, but either way, you need an angle that makes sense for the company to be involved with your organization.

Perhaps set up an advisory council of companies that can support your organization with ideas.

As you reach out, ask the companies not only whether they are interested in giving but also if they know of any other businesses that might be interested. Many businesses already have partnerships with others and can give you leads that bring in even more corporate donations.

NetworkforGood.com suggests calling the marketing department first — specifically the VP of marketing if possible — as they will be most likely to have a budget for nonprofit donations, which can go hand in hand with marketing, depending on the agenda. Be clear about what you’re asking and how you believe it can help their company — and don’t hesitate to make this point, as you may not have long before they’re ready to hang up and move on with their lives. Pitch your proposal as a business deal, as opposed to simply a donation. Let them know what you’ll be able to do for them, such as positive PR or acknowledging their brand in public and in social media posts.

Keep in mind that not all donations need to be monetary, and if you’re getting the signal that a company is not interested in gifting your organization a financial sum, be prepared to suggest other ways they might be able to help, whether it’s through donation of goods/services or being involved with an event you wish to organize. Think outside the box as some businesses may wish to contribute but may not feel comfortable doing so initially on a financial level.

---
