



EFC Advice to Grantseekers

This document aims to facilitate access to funding information. However, the funding research process is time consuming and involves hard work. Research is only one of the many steps of this process. Although good research does not immediately guarantee you successful fundraising, it is a worthwhile investment as it will certainly contribute to building successful and lengthy relationships with foundations and corporate funders.

A high number of funding requests, estimated at 90 percent, are declined immediately because they fall outside a funder's stated interest areas or because they are inadequately prepared and do not reflect an organisation's strengths and its ability to carry out a proposal's objectives.

The EFC has put together some useful information and practical tips on how to research independent funders, how to package your project proposal and where to find additional information, both in print and online, on foundations and corporate funders, as well as on fundraising. We hope it will be helpful and wish you good luck!

STEP ONE: CREATE AN EFFECTIVE STRATEGY

Developing an organisational strategy usually involves intensive work on the part of your organisation's management and board of trustees or directors. It also may involve work with other organisations in your field that share similar goals.

Before you start looking for funding, you should first draw up a clear profile of your organisation and develop a long-term organisational strategy. Your projects should be then designed in line with your organisation's strategy and expertise. Knowing your organisation well puts you in a strong position and helps establish your credibility with the funders.

In developing your strategy, you should address the following questions clearly and directly:

- What is the unique purpose of your organisation?
- What audience do you serve?
- Does this audience receive similar services from any other organisation?
- What important need or needs do you aim to fulfil?
- Does your board of trustees fully support your initiatives that aim to respond to these needs?

The goal of your research is to determine those few funders whose interests are in line with your organisational and project objectives.

STEP TWO: LIST OF POTENTIAL FUNDERS (RESOURCES)

Develop an initial "prospect" list of some 10 or 15 funders who have general interests in the subject area of your organisation or project.

To develop this list, you can build on your organisation's previous experience and knowledge: you can gather information from your peers, from community leaders and the media, from the local Chamber of Commerce, and, last but not least, from specialised directories. Keep your selection criteria fairly broad at this stage - in case of doubt, still include the donor in your list until further research tells you otherwise.

As you review the funder's information, bear in mind the following:

- Do you have full and correct contact details of the funder?
- Does the funder support the specific subject area for which you are seeking resources? For example, if you are seeking funds for a programme involving university education, you should immediately cross off your prospect list those funders interested only in early childhood education.
- Does the funder support the particular population group for which you are seeking funds? For your campaign aimed at young people, you should not approach an organisation that only supports projects aimed at very young children.
- Does the funder indicate an interest in your country or geographic region?
- Is the funder a grantmaking or an operational foundation? Operational foundations prefer to carry out their own programmes and usually do not accept funding applications. They can, however, offer valuable expertise in their stated programme interests.
- Does the funder make grants for the type of support you are requesting? For example, if you seek funding for a public awareness campaign, you should not approach a funder that explicitly states it does not support them. Most funders have restrictions or limitations on their grantmaking programmes. The EFC strongly advises against requesting support in an area that a funder restricts, for this can seriously damage your organisation's credibility.
- Does the funder only support major consortia projects that involve a number of organisations, including governmental partners? For example, you should not request support to equip a single school laboratory from a funder that is only interested in the development of the administration of a country's education system.
- Does the funder make grants for the amount of money you will be requesting?
- You probably should not request 20,000 euros from a funder that has never made a grant above 5,000 euros, or alternatively, you should not request 5,000 euros from a funder that states they do not make grants smaller than 20,000 euros.
- Does the funder require matching funding? Most funders require or encourage matching funding although they do not always state it explicitly. Check your funder's position before submitting the application as the funder may not wish to support the full cost of a project and might ask for evidence of other funding.
- Does the funder accept full project proposals, or does it prefer an initial, brief letter of enquiry?
- By the end of this phase, you should have a fairly good idea of what funding resources are available in your community for your type of work. Now you are ready to proceed with the next step - the in-depth research.

STEP THREE: IN-DEPTH RESEARCH AND REFINING THE LIST OF PROSPECTIVE FUNDERS

In-depth research should expand your knowledge and understanding of the philosophy and values of the funders from your initial list, and should provide you with all the details on their funding priorities, selection criteria and requirements.

The EFC believes that the very best sources of information about foundations and corporate funders are those that they release themselves. Therefore, your next step should be to get in touch with the funders and request their most recent funding and programmes materials or publications.

What are these materials or publications? These include: annual reports, newsletters, grants lists, press releases and application guidelines and forms. They are generally free of charge and can be obtained either directly from the funder's website or upon a simple request.

The two most valuable information resources are a foundation's annual report and its grants list. While the annual report will give you insight into the foundation's philosophy, beliefs, funding policy and strategy, its grants list will tell you what the foundation actually does or

supports, i.e. how the policy is translated into action. Grants lists will also help you understand the types of organisations a funder tends to support and the average size of their grants per programme area.

Funder publications and websites will give you an overview of a funder's priorities and the areas that it will and will not fund. In consulting these resources, look for the information that will help you determine whether the funder should remain on your prospect list. Pay careful attention to stated programme interests, restrictions, geographic limitations and other qualifications.

STEP FOUR: PROJECT PROPOSALS

Based on the information you gathered during your research, you should now be able to identify from your initial list those four or five funders that are most likely to support your organisation. Next, you should request their current grant application forms and guidelines, and get the names of the programme directors you should contact in the future. You can now tailor your project proposal to better meet the funder's requirements.

Successful funding usually commences at a top management to top management level, from director to director or board member to board member. Usually, foundations and corporate funders do not simply support the words and texts of written project proposals; they fund the people who can execute these proposals effectively.

Although each project proposal should be individually tailored to the funder, there are some basic rules that apply to all grant applications:

- Be concise.
- Avoid too much technical jargon and always provide simple definitions of specialised terms.
- Be specific in what you want to achieve and what you request from the funder.
- Structure your proposal logically and present it in a clear and easy-to-read layout.

It is very important that you always check with funders what their specific requirements are before packaging and submitting your project proposal. However, to help you structure your project proposal, we have compiled a checklist of the basic elements it should contain:

➤ **Cover Letter**

The cover letter is the first document the funder will read and it is often the basis for either consideration or rejection. The cover letter should state the type of support requested, the goals of the project and how it fits into the guidelines of the funder, the total budget and the names of other funders contributing to the project, if applicable.

➤ **Title Page and Table of Contents**

The title page should provide the following details: the title and sub-title of the project; the name and address of the grantseeking organisation; the date; and possibly the name of the funder. The table of contents should provide a simple overview of the different sections of the project proposal, including the correct page numbers.

➤ **Executive Summary**

The executive summary provides the key points from the project proposal in one page. Don't underestimate the importance of the executive summary – it is, on many occasions, the major sales document that gains the interest and support of the reader. The executive summary should include the following information: name of the project; needs statement; brief project description: goals and objectives; beneficiaries; location and duration of the project; project staffing; project budget and funding needs. Information on resources already available, as well as an overview of your organisation's expertise to carry out the project should also be included.

The actual project proposal includes:

INTRODUCTION – AIM	Summarises clearly the aim of the project and your organisation’s abilities and qualifications to accomplish this aim.
NEED STATEMENT	A concise, yet convincing overview of the needs your organisation wants to address with the project. Describe briefly the overall context - this will help the reader get a more complete picture of the scope of the problem. When outlining the actual problem or needs, use relevant facts, examples from the community or statistics to underpin your statement, but make sure all data is correct.
OBJECTIVES AND GOALS	This section should tell the reader what your organisation will do to address the identified needs. The aim should be broken down into measurable objectives, and the objectives into measurable goals. Goals represent concepts or ideal situations that are not necessarily measurable. Objectives are specific, tangible and measurable outcomes that should be achieved within a specified period of time.
METHODOLOGY & TIMETABLE	How & when are the project's objectives going to be achieved? By whom? An answer to these questions should be provided in the Methodology & Timetable section of the proposal. Be very clear, specific and realistic - with regard to the methods, the timetable and the human resources - as this will help convince the reader of your expertise and credibility
EVALUATION	Explains how you will measure the success of achieving your stated goals. In this section, you should provide an outline of the instruments that will be used for the evaluation, define who will conduct the evaluation and when they will conduct it, and state how the reporting will be done. Often, this involves an advisory committee which monitors and guides its development regularly.
BUDGET SUMMARY	States the duration of the project and the total project cost, as well as any already available income.
DETAILED BUDGET	There are different ways to structure a budget - depending on the type of the project as well as on the funder's requirements. However, almost every budget includes the following standard items: personnel; travel/meetings; equipment; overhead costs such as rent, telephone, postage and accounting services; printing and dissemination of project materials. Always check with the funders for any special requirements before finalising your budget.
FUTURE FUNDING PLANS	Describes the financial resources you will need to continue the project, once the support requested has ended, and how your organisation will arrive at these resources.
APPENDED INFORMATION	Any meaningful information that helps support your proposal. This may be detailed work plans, your latest annual report, statistical reports you refer to in your needs statement, letters of support, an organisational chart and any other documents which help establish your organisation’s credibility.

On approaching a funder, your organisation should be willing to undertake the responsibilities of a long-term relationship. This involves communication in the form of effective and timely reporting as required by the funding organisation. It also involves keeping the funder informed of any significant changes in the written project proposal.

Over time, such communication may evolve into mutually beneficial professional relationships, with both the funding organisation and the grantee working to achieve specific aims in an area of shared interest.