

Grant Research Guide

Three step process

Step One: Preparation

Just as nonprofits have missions, most foundations also have missions or things they are trying to accomplish through their giving. The key to grant research is identifying foundations whose interests, mission, and values align with yours.

The first step to identifying potential foundation funders is knowing what type of organization you are, what your mission is, and what you need financially. This step also includes ensuring you are aware of your current and past funders as well as any funders from whom your organization has unsuccessfully applied for grants in the past.

If you haven't already, think about how you might categorize your organization. Is your work related to elementary education? Mental health care, substance use services, or animal welfare? Write down the category words you use to describe your organization and projects. Think about both the narrow categories you might use ("playwriting"), as well as the larger categories ("arts and culture"). Brainstorm these words with staff or board members to make sure you understand your primary focus and stakeholders.

Subjects used to describe grantmaking in the *Directory of Maine Grantmakers*:

Affordable Housing	Environment & Animals	Public Policy
Aging	Health	Recreation
Agriculture/Food	Healthy Food	Religion
Arts and Culture	Historical Activities	Science and Technology
Children, Youth, and Families	Homelessness	Smart Growth
Communications/Media	Immigrants/Refugees	Social Justice
Community Development	International/Foreign Affairs	Sustainability
Diversity	LGBTQ	Veterans
Early Childhood	Mental Health	Women
Education	Poverty	Workforce

Similarly, consider what populations you serve, what kind of funding your organization needs, and the details of any specific projects or efforts. If you're looking for funding for a specific project or effort, consider what you're trying to accomplish and who you'll be serving with that specific project or effort. For example, if you're a land conservation organization looking for funding to pay for a youth recreation program, you might look for funders who are interested in the environment, youth, and/or recreation. Talk about this with colleagues and stakeholders and write down your answers.

Step Two: Find Foundations

After determining how much money you need and for what purpose, the next step is to develop a list of potential funders with similar missions or focus areas. Approximately 65% of foundations funding in Maine do not have websites. To find out information about funders you can utilize these resources:

DIRECTORY OF MAINE GRANTMAKERS

A resource that has detailed profiles on over 400 funders who are either located in Maine or have a recent history of giving to Maine. The Directory is available online to all MPC members, to the public through our office, or you can purchase a print version.

FOUNDATION DIRECTORY ONLINE (FDO)

A powerful national database created by Candid that catalogues foundations and other types of funders in the United States. As a Funding Information Network (FIN) partner of Candid, the Maine Philanthropy Center offers free access to this database at our location in Portland. Extensive records include many of the grants awarded in addition to funder profiles. You can access this database for free at Funding Information Network Partner sites in Maine. Contact us for more information.

Step Three: Narrow the Field

Gather more information to narrow your list down to the most likely prospects. Review the foundation's record in the *Directory of Maine Grantmakers* or FDO carefully, and cross reference key information for each prospect in both databases. Be sure to review the most recent information available in their website, if available, or their most recent tax forms. Look out for information such as:

- Does the foundation accept applications from everyone or are organizations invited to apply?
- How do they describe their funding interests or focus areas? Do these align with the service areas you provide?
- Do they give only to organizations in a specific region, county, or town?
- What kind of funding do they offer and are there restrictions? For instance, if you're looking to build your endowment, a funder who only funds program support may not be a good fit. Additionally, more foundations are starting to give general operating expenses as opposed to project-based funding, which can be incredibly helpful to nonprofits.
- What is their history of giving or previous grants? How big are their grants typically? Do they only give to the same two or three organizations year after year, or do they give to many organizations? If you're looking for a \$5,000 grant and they only give grants of \$100,000 and up, they may not be a good fit.
- Do they have a history of giving significantly in Maine?

The answers to these questions may give you a better sense of whether a funder is a good fit.

DIGGING DEEPER WITH TAX FORMS

The IRS 990 tax form is the most commonly used data source for all charitable organizations, particularly foundations. It is especially useful for learning about foundations without websites. There are two different varieties—the 990-PF ("PF" stands for "private foundation") is the default form for all charitable organizations and is used by most foundations; and the 990, which can only be used by organizations, foundations included, that demonstrate a certain type and threshold of public support.

Check the 990 or 990-PF to learn more about a foundation's giving in a fiscal year as well as the names of officers, directors, and trustees, and giving guidelines and forms. You can search for foundation tax forms by name, EIN, or the state where the foundation is based using any of the public sources below:

- **Guidestar (now Candid):** [guidestar.org/search](https://www.guidestar.org/search)
- **ProPublica:** projects.propublica.org/nonprofits/
- **IRS website:** apps.irs.gov/app/eos/

If you are unfamiliar with reading a 990-PF see the “Reading the 990” section at the end of this guide, or visit candid.org/research-and-verify-nonprofits/990-finder/demystifying-the-990-pf. Page 10 of the 990-PF is where you will find grant application information, and page 11 is where the grants lists should be found. Sometimes this information will be listed as an attachment.

We recommend tracking the potential funders you identify in a spreadsheet or other document to keep all your information in one place. You can find two sample tracking tools at the end of this guide.

Go to mainephilanthropy.org/grant-research-resources for a more complete listing of useful resources.

Grantseeking Resources

990 tax forms

- Candid: candid.org/research-and-verify-nonprofits/990-finder/demystifying-the-990-pf
- Guidestar (now Candid): [guidestar.org](https://www.guidestar.org)
- ProPublica: projects.propublica.org/nonprofits/
- IRS website: apps.irs.gov/app/eos/

Grant research and proposal writing information

University of Maine Raymond H. Fogler Library: libguides.library.umaine.edu/grants

Maine State Library: maine.gov/mssl/lib/admin/funding/

Maine Philanthropy Center: mainephilanthropy.org/GrantResearch

Candid Learning (learning.candid.org)

Candid’s separate website that has free and low-cost webinars on several topics, sample documents, and other useful information for grantseekers including:

- Introduction to Proposal Writing
- Creating a Sound Proposal Budget
- How to Raise Money from Individuals

Government Funding

[Grants.gov](https://www.grants.gov) - all federal grants are listed on this website

[Mainearts.maine.gov](https://mainearts.maine.gov) - Maine arts funding

[Maine.gov](https://maine.gov) - type in “grants” into search engine

Request for Proposals (RFP) Notices

Philanthropy News Digest (via Candid): philanthropynewsdigest.org

Other

MPC Consultant Directory: mainephilanthropy.org/our-members/professionals

MPC Programs for Nonprofits and Consultants: mainephilanthropy.org/events/nonprofit

Maine Association of Nonprofits Training: nonprofitmaine.org/learn/events-trainings

Grant Research Guide: A-Z Glossary of Philanthropy Terms

501(c)(3): Section of the Internal Revenue Code that designates an organization as charitable and tax-exempt. Organizations qualifying under this section might include religious, educational, charitable, amateur athletic, scientific or literary groups, or organizations involved in prevention of cruelty to children or animals.

509(a): Section of the tax code that defines a public charity. (See Public Charity)

Bequest: A charitable gift given through the estate of a decedent. Estates valued over a certain threshold have special tax treatment and reporting requirements that make this form of giving available for public inspection. However, in many states, the number of estates with charitable gifts in a given year is low enough that the IRS withholds data to protect taxpayer anonymity (a frequent occurrence in Maine).

Challenge Grant: A grant that is made on the condition that other funding be secured, either on a matching basis or some other formula, usually within a specified period of time.

Community Foundation: A community foundation is a tax-exempt, nonprofit, autonomous, publicly supported, philanthropic institution composed primarily of permanent funds established by many separate donors for the long-term diverse, charitable benefit of the residents of a defined geographic area.

Corporate Foundation: A corporate (company-sponsored) foundation is a private foundation that derives its grantmaking funds primarily from the contributions of a profit-making business. All information about these foundations are open to the public.

Corporate Giving Program: A corporate giving (direct giving) program is a grantmaking program established and administered within a profit-making company. Detailed information about giving is not

required by law.

Designated Funds: A type of restricted fund in which the fund beneficiaries are specified by the grantors.

Discretionary Funds: Grant funds distributed at the discretion of one or more trustees, which usually do not require prior approval by the full board of directors.

Does Not Accept Applications: Foundation does not accept unsolicited applications. Look further at past giving and board members to determine if the organization might be open to looking at your nonprofit.

Donor Advised Fund: A fund held by a community foundation or other public charity, where the donor, or a committee appointed by the donor, may recommend eligible charitable recipients for grants from the fund.

EIN: Unique tax identification number. If the organization's name changes, the EIN does not.

Endowment: The principal amount of gifts and bequests that are accepted subject to a requirement that the principal be maintained intact and invested to create a source of income for a foundation.

Family Foundation: "Family foundation" is not a legal term, and therefore, it has no precise definition. Yet, approximately two-thirds of the estimated 44,000 private foundations in this country are believed to be family managed. The Council on Foundations defines a family foundation as a foundation whose funds are derived from members of a single family.

Federated Fund: A centralized campaign whereby one organization raises money for its member agencies. These annual workplace giving campaigns raise millions of dollars for distribution to local, state, and national nonprofit organizations. The United Way campaign and Community Works are examples.

Form 990-PF: The public record information return that all private foundations are required by law to submit annually to the Internal Revenue Service. Public Charities file a Form 990.

Foundation: A foundation is a non-governmental nonprofit, 501(c)3, organization that supports charitable activities. Most give grants, but private operating foundations may directly fund their own charitable activities.

Private foundation assets typically come from a family, individual, or corporation. Each year, a private non-operating foundation is required to give at least 5% of its assets to charitable activities.

Independent Foundation: An individual usually founds these private foundations, often by bequest. Also see Private Foundation.

Leverage: Leverage occurs when a small amount of money is given with the express purpose of attracting other funding.

Matching Gifts Program: A grant or contributions program that will match employees' or directors' gifts made to qualifying organizations. Specific guidelines are established by each employer or foundation.

Matching Grant: A grant or gift made with the specification that the amount donated must be matched on a one-for-one basis or according to some other prescribed formula.

Nonprofit Organization: A term describing the Internal Revenue Service's designation of an organization whose income is not used for the benefit or private gain of stockholders, directors, or any other persons with an interest in the company. A nonprofit organization's income must be used solely to support its operations and stated purpose.

Operating Foundation: Also called private operating foundations, operating foundations are private foundations that use the bulk of their income to provide charitable services or to run charitable programs of their own.

General/Operating Support: A contribution given to

cover an organization's day-to-day, ongoing expenses, such as salaries, utilities or office supplies.

Payout Requirement: The minimum amount that a private foundation is required to expend for charitable purposes (includes grants and necessary and reasonable administrative expenses). In general, a private foundation must pay out annually approximately 5% of the average market value of its assets.

Philanthropy: Philanthropy comes from the Greek word meaning "love for mankind." Philanthropy is the concept of voluntary giving by an individual or group to promote the common good. It also includes grants of money given by foundations and contributions to organizations that in turn work for the common good. This is often referred to as organized philanthropy or grantmaking.

Private Foundation: A nongovernmental, nonprofit organization with funds and programs managed by its own trustees or directors, established to maintain or aid charitable activities serving the common welfare, primarily through grantmaking.

Proposal: A written application, often accompanied by supporting documents, submitted to a foundation or corporate giving program in requesting a grant.

Public Charity: A nonprofit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and that receives at least one-third of its financial support from a broad segment of the general public. Community Foundations and Public Foundations fall into this category.

RFP: Acronym for Request for Proposal.

Regional Association of Grantmakers: Maine Philanthropy Center is one! A nonprofit membership association of private and community foundations, corporations, individuals and others committed to strengthening philanthropy in the geographic areas in which they operate.

Supporting Organization: A charity that is not required to meet the public support test because it

supports a public charity.

Trust: A legal device used to set aside money or property of one person for the benefit of one or more persons or organizations.

Venture Philanthropy: A philanthropy that borrows some of the best practices of the venture capital world to invest deeply in nonprofits to build their capacity.

Definition sources include United Philanthropy Forum, Candid, and Maine Philanthropy Center.

Reading the 990 or 990-PF Tax Form

The 990 (or 990-PF) is the tax form the IRS requires all foundations to file every year. These tax forms are public records and can be found through a variety of means.

Much of the 990 form is a list of specific stock trades that the foundation conducted in that year so the document might seem very long and it might seem overwhelming, but here are the few things that will assist you in your research.

Page 1: The year of the return is found at the top right corner. If the foundation is running on a non-calendar year, there will be a different date listed below the year.

The full name and address of the organization will be listed. The phone number will also be listed if available.

The **Employer Identification Number (EIN)** is the unique identifier for the foundation and can be used to look up the foundation. Should the foundation's name change, its EIN will remain the same.

Box I: Lists the full value of assets of the foundation. Foundations are required to give 5% of the dividends from their assets base. The 5% is a formula based on 3 years of assets, but it gives you an idea on how large the foundation might be.

Part 1, Line 25, Column D: Provides the number of contributions, gifts, and grants paid during that fiscal year. In 990s (which nonprofits and public charities file), you will see two columns with information from the current year and the prior year.

Page 6: Lists the names of officers, directors, and trustees. Information about hours and compensation may be included. (Sometimes these are shown in an appendix.)

Page 10 Part XV: On the bottom of page 10 you will find information about applying for grants. If the foundation does not accept applications, box 2 will be checked. If there is a different address for applications that will be listed as well as deadlines and other details. If there is more information than they can fit into the lines there will be a note that the full information is in an appendix.

Page 11: Lists all grants given during this year. Foundation are required to list the name of the nonprofit and the amount of the grant. Often you will find more information about each individual grant and recipient including the address of the nonprofit and what project the grant dollars supported. Often this list will start on page 11 and then continue later into the document or as an attachment. The grants lists are often tables, so they can be found fairly easily by scrolling through the pdf of the 990.

Form 990-PF (2013) Return of Private Foundation

Name of foundation: **THE LIBRA FOUNDATION**

City or town, state or province, country, and ZIP or foreign postal code: **SAN FRANCISCO, CA 94129**

Employer identification number: **30-0031117**

Fair market value of all assets at end of year from Part II, col (c), line 16: **174,815,450**

Part I Analysis of Revenue and Expenses	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (book based only)
1 Contributions, gifts, grants, etc., received	15,138,888.		N/A	
2 Check <input type="checkbox"/> (a) and (b) are not net investment income				
3 Dividends and interest from securities	2,417,392.	2,417,196.		STATEMENT 1
4a Gross rents				
b Rental income or loss	1,618,981.			
5a Gross profit or loss				
b Net short-term capital gain		1,618,981.		
9 Income modifications				
10a and 10b				
11 Other income	95,020.	84,362.		STATEMENT 2
12 Total. Add lines 1 through 11	19,270,282.	4,120,539.		
13 Compensation of officers, directors, trustees, etc.		0.		0.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees	22,835.	11,418.		11,417.
b Accounting fees	3,750.	3,750.		3,750.
c Other professional fees	383,518.	160,315.		223,203.
17 Interest				
18 Taxes	67,894.	20,479.		0.
19 Depreciation				
20 Occupancy				
21 Travel, entertainment, and mileage				
22 Professional fees				
23 Other expenses	466,494.	397,214.		1,837.
24 Total operating and administrative expenses (including line 23)	949,818.	593,266.		240,207.
25 Contributions, gifts, grants paid	3,239,397.			3,239,397.
26 Total expenses and disbursements	4,189,215.	593,176.		3,479,604.
27 Subtract line 26 from line 12:				
a Revenue over expenses and disbursements	15,081,066.			
b Net investment income (or negative value)		3,527,363.		
c Adjusted net income (or negative value)			N/A	

Prospect Worksheet

Track key information about potential funders as well as your contact with the funder. Focus on funders whose priorities closely match your funding needs.

Date	Funder
1. Contact Information Name and Address, Contact Person	
2. Financial Data <ul style="list-style-type: none"> • Total Assets • Total Grants Paid • Grant Ranges/Amount Needed • Period of Funding/Project 	
3. Subject Focus (list in order of importance)	1. 2. 3.
4. Geographic Areas	
5. Type(s) of Support Offered	
6. Population(s) Served	
7. Recipient Type(s)	
8. People (Officers, Donors, Trustees, Staff, Directors)	
Application Information <ul style="list-style-type: none"> • Does the funder have printed guidelines/application forms? Initial Approach <ul style="list-style-type: none"> • Format: Letter of inquiry? Formal proposal? Deadline(s) Board Meeting Date(s)	
Source of above information: <ul style="list-style-type: none"> <input type="checkbox"/> 990-PF (Year:) <input type="checkbox"/> Annual Report (Year:) <input type="checkbox"/> Direct request <input type="checkbox"/> MPC <i>Directory of Maine Grantmakers</i> <input type="checkbox"/> Candid – Foundation Directory Online <input type="checkbox"/> Other: 	

Prospect Worksheet: Notes and Follow-Up Form

Notes:

Follow-up:

Grants Awarded / Reporting Deadlines:
