



Grant Research Tools and Tips

Step One: Before You Start

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 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.

Think about how you might categorize your organization. Is your work related to elementary education? Mental health care or addiction services? 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 | Education | Public Policy |
| Aging | Healthy Food | Recreation |
| Agriculture/Food | Historical Activities | Religion |
| Arts and Culture | Homelessness | Science and Technology |
| Children, Youth, and Families | Immigrants/Refugees | Smart Growth |
| Communications/Media | International/Foreign Affairs | Social Justice |
| Community Development | LGBTQ | Sustainability |
| Diversity | Mental Health | Veterans |
| Early Childhood | Poverty | Women |
| | | 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.

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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. Here are just a few resources for finding funders:

1. The [Directory of Maine Grantmakers](#) should serve as a useful starting place in either the print or online version. This listing only includes funders with a recent history of giving in Maine.
2. [Foundation Directory Online](#) (FDO) is a powerful database created by Candid which includes all foundations in the U.S. As a Funding Information Network (FIN) partner of Candid, the Maine Philanthropy Center offers free access to this database at our location in Portland. This database can help you find national funders who might be interested in supporting your organization.
3. Other nonprofit organizations - Identify nonprofit organizations that are similar to yours and review their annual reports, 990 tax forms, and websites for names of foundations that provided support.

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 primer.

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

Step Three: Narrow the Field

Gather more information to narrow your list down to the most likely prospects.

Do your research. Review the foundation's record in the *Directory of Maine Grantmakers* or FDO carefully. Be sure to review the most recent information available which is either a website if available or their most recent tax forms. Look out for information such as:

- Whether they accept unsolicited applications
- How they describe their funding interests or focus areas
- Whether they give only to organizations in a specific region, county, or town.
- What kind of support they offer. For instance, if you're looking to build your endowment, a funder who only funds program support may not be a good fit.
- 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 \$5000 grant and they only give grants of \$100,000 and up, they may not be a good fit.
- Confirm that they do have a history of giving in Maine by checking the sample grants.

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

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[The 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.

Check the 990 to learn more about the foundation's giving for that 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 either the name of the foundation, their EIN, or the state where the foundation is based.

If you are unfamiliar with reading a 990PF see this [helpful document](https://candid.org/research-and-verify-nonprofits/990-finder/demystifying-the-990-pf), <https://candid.org/research-and-verify-nonprofits/990-finder/demystifying-the-990-pf>, on reading a 990. Page 10 of the 990 is where you will find grant application information, and page 11 is where the grants lists should be found. Sometimes both of these will be listed as attachments.

1. Prep Work

Know yourself and the specific request. Be prepared to present your organization, the project, and the budget.

Grant research! Make sure the funder is a good match for your work and request. Funders are looking for projects that align with their values and interests. In addition:

- Requests should align with the kind of support the funder typically gives—both in total amount and what the money will be spent on.
 - For example, if you are looking for a \$10,000 grant, a funder who only gives grants of \$500,000 and up might not be a good fit. Similarly, if you are looking for funds to renovate a building, a funder who only provides program development support would likely not be a good fit.
- Make sure your geographic focus is a good match with the funder.

Whenever possible, we include this information in Directory records.

Build Relationships

- Take the time to learn about funders' interests as well as share information about your organization and its programs.
- Make sure you know your history with a funder. Have you applied for grants in the past? Was the grant awarded? Did the funder provide feedback on previous proposals?
- If you've done your research, many funders are happy to answer questions. That said, only contact funders who have clearly provided contact information on their website, in the Directory of Maine Grantmakers, or in their 990. If a funder has not provided a phone number, assume that they do not want to receive calls.

Gather materials. The specific materials will probably vary depending on the funder, but will likely include:

- Your organization's mission
- Your organization's budget
- IRS determination letter
- A budget for the specific project for which you're looking for support.

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Proposal Writing Tools and Tips

2. Drafting the Basic Proposal

Always follow the guidelines!

- Read over the guidelines and highlight important information.
- Check the funder's website to confirm the guidelines have not changed.
- If you still have questions and the funder provides contact information, give them a call or email.
- Always follow the guidelines. This includes answering all the questions, keeping within page or word limits, and making sure you attach the required documents.

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Consider your partners. Partners may include:

- Internal staff team – program staff who know the project; finance staff who can help develop or review the budget; fundraising or grantwriting staff.
- Community partners can help demonstrate that you have broad community support, avoid duplication of efforts, or provide complimentary expertise. At the very least, be sure you know what other organizations are doing. Don't wait until the last minute to contact potential partners!

Make a plan. Who is responsible for what when?

Write the proposal.

- Be as clear and concise as possible. Depending on the foundation, the person reading your proposal may be reading many, many other proposals and may not be an expert in area of work. Use simple language and avoid jargon.
- Be honest and realistic about what you will accomplish.
- Give yourself time for both writing and revising the proposal. It can be helpful to have someone unfamiliar with your work review the proposal. Did your description of the work and your organization make sense to them? Did you answer the questions? Was it compelling?
- Double-check. Check two times that you have followed all the application instructions. It can be helpful to plan as if the due date were two weeks earlier. Don't wait until the last minute!

Other Partners: Fiscal Sponsors

Most foundations only give to organizations that have been granted 501(c)(3) status by the IRS. However, many foundations will work with a "fiscal sponsor" to fund specific projects. According to Grant Space, "a fiscal sponsorship is a formal arrangement in which a 501(c)(3) public charity sponsors a project that may lack exempt status." Fiscal sponsors can be an alternative to starting a nonprofit, a first step in starting a nonprofit, or a temporary arrangement if you are waiting for your final 501(c)(3) status.

The fiscal sponsor will receive the grant and be officially responsible for administering the funds. They take on the project as part of their own work in furthering their mission.

Find a fiscal sponsor before applying for a grant. Identify a tax-exempt nonprofit organization with a similar mission or complementary work. The ideal partnership is one in which you could see your work being a program under this organization's umbrella.

You should have a letter of agreement with your fiscal sponsor which includes details about their IRS status, contact information, what kind of non-financial support they will provide, and what percentage of the grant they will keep for assisting you administer the grant.

3. Following Up

Following up with funders and staying on top of requests for additional materials, deadlines, and reports can help you turn a grant into a partnership. Even if the request is denied, you can use the opportunity to learn and set yourself up for future success.

If you receive the grant:

- Thank the foundation.

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- Keep track of reporting deadlines and requests.
- Stay in touch with the funder, particularly if you foresee changes in your project or work.

If you don't receive the grant:

- If possible, call or follow up for more information (not all funders provide this information, but some do).
You might ask:
 - Is there anything we could have done differently in our proposal?
 - May we resubmit for your next funding cycle?
 - Are you aware of any other foundations that we might approach?
- Thank them for their time if they are able to answer questions about your proposal.
- Don't take it personally.

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Internet Resources

Databases

Approximately 75% of all foundations do not have websites. In order to find out information about funders you can utilize resources available through the Maine Philanthropy Center:

Directory of Maine Grantmakers: a resource that has full records on close to 400 funders who are either located in Maine or have a giving history to Maine. The Directory is available to all MPC members online, to the public through our office, or you can purchase a print version.

Foundation Directory Online: A national database that lists all funders in the United States including Maine features. 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.

Internet Resources

990 Tax Forms

- Candid:
 - <https://candid.org/research-and-verify-nonprofits/990-finder/demystifying-the-990-pf>
 - <https://candid.org/research-and-verify-nonprofits/990-finder/demystifying-the-990-pf>
- Guidestar (now Candid): <https://www.guidestar.org>
- National Center for Charitable Statistics:
<http://nccsweb.urban.org/PubApps/search.php>

Grantwriting Samples and Tips

Maine Philanthropy Center: <http://www.mainephilanthropy.org/GrantResearch> this page includes information on upcoming research sessions, and a page of useful links.

Grantspace.org

The Foundation Center's separate website that has free and low-cost webinars on specific areas, sample documents and other useful information for grantseekers including:

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

Researching Government Resources

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Internet Resources

www.grants.gov - all federal grants are listed on this website

<https://mainearts.maine.gov/>

<http://maine.gov> – type in grants into search engine

RFP Notices

Philanthropy News Digest (Foundation Center) <https://philanthropynewsdigest.org/> Corporate Social Responsibility news alerts

Other

Grant Research Resources on MPC website: <https://www.mainephilanthropy.org/grant-research-resources>

MPC Consultant Directory: <https://www.mainephilanthropy.org/member-listing/advisors>

Foundation Center Reference Publications:

<http://marketplace.foundationcenter.org/Publications>

MPC Programs for Nonprofits and Consultants: <https://www.mainephilanthropy.org/programs-nonprofits-and-grantseekers>

Maine Association of Nonprofits Skill Builder Programming:

<http://www.nonprofitmaine.org/learn/skillbuilders/>

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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)

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.

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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.

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 educational, arts and cultural, health or other 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.

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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.

Thanks to the United Philanthropy Forum & Candid for definitions.

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, so it might seem overwhelming but here are the few things that will assist you in your research: (see the next page for an image of the first page of the 990)

Page 1: The year of the return is found at the top right hand 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. Often the address listed will be the address of the foundation, but occasionally the trustees actual address may be listed which can be useful. Information about hours and confirmation will 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 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 was supported. Often this list will start on page 11 and then continue later into the document, or be an appendix at the back of the long document. The grants lists are often tables so can be found fairly easily by scrolling through the pdf of the 990.

Form **990-PF** | **Return of Private Foundation** | OMB No. 1545-0052
 Department of the Treasury | Do not enter Social Security numbers on this form as it may be made public. | **2013**
 Internal Revenue Service | Information about Form 990-PF and its separate instructions is at www.irs.gov/form990 | OPEN TO PUBLIC INSPECTION

For calendar year 2013 or tax year beginning _____, and ending _____

Name of foundation: **THE LIBRA FOUNDATION** | A Employer identification number: **30-0031117**

Number and street (or P.O. box number if mail is not delivered to street address): **1 LETTERMAN DR** | Room/suite: **C-420** | B Telephone number: **773-325-1235**

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

G Check all that apply: Initial return Initial return of a former public charity Amended return Name change
 Final return Address change

H Check type of organization: Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year: **\$ 174,815,450** | Accounting method: Cash Accrual
 (This total must be reported in column (a) and (d) if not necessarily equal to amounts in column (a))

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 (cash basis only)
1 Contributions, gifts, grants, etc., received	15,138,888.		N/A	
2 Check <input type="checkbox"/> if the foundation is not required to attach Schedules B and C				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	2,417,392.	2,417,196.		STATEMENT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	1,618,981.			
Gross sales price for all assets on line 6a	6,963,404.			
7 Capital gain net income (from Part IV, line 2)		1,618,981.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Cost of goods sold				
c Gross profit or (loss)				
11 Other income	95,020.	84,362.		STATEMENT 2
12 Total. Add lines 1 through 11	19,270,281.	4,120,539.		
13 Compensation of officers, directors, trustees, etc.	0.	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	7,500.	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 and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and duplication				
23 Other expenses	468,071.	397,214.		1,837.
24 Total operating and administrative expenses. Add lines 16 through 23	949,818.	593,176.		240,207.
25 Contributions, gifts, grants paid	3,239,397.			3,239,397.
26 Total expenses and disbursements. Add lines 24 and 25	4,189,215.	593,176.		3,479,604.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	15,081,066.			
b Net investment income (if negative, enter -0-)		3,527,363.		
c Adjusted net income (if negative, enter -0-)			N/A	

932501 10-10-13 LHA For Paperwork Reduction Act Notice, see instructions. 1 Form 990-PF (2013)

Sample Proposal Tracking Sheet

Foundation Name	Contact Information	Key Priorities	Grant Range	Application Information	Other notes	Deadline	Rating (low, medium, high)	Grant Sent	Result
Simmons Foundation	Paul Rausch, 1 Canal Plaza, PO Box 426, Portland, ME 04101 207-774-2635	Arts, Children/Youth; Education; Family Services; Health Care; Human Services; Building; Program Development	\$1,000-\$10,000	Application form required, IRS letter, history and mission, literature, description of project and amount. Send letter to foundation first.	Similar grants given in the past	1st Friday of Oct, 1st Friday of April	High	10/1/17 grant submitted	waiting for response