

 trusts & foundations

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how to find and approach trusts and foundations

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how to find and approach trusts and foundations



To identify trusts and foundations, you need to know how to research them. This article explains where to look for information about potential funding partners, how to research their areas of interest and activity and how to approach them.

Desk research: primary vs. secondary sources

Most philanthropic grant makers have web sites, information packs, guidelines and other primary sources of information that are easy to find online.

Secondary sources of information summarise information about funders for grant seekers. These platforms can be searched by keyword and are subscription or fee-based. Reduce the risk of old or inaccurate information by checking secondary sources with a primary source or by contacting the foundation directly.

Competitor analysis

The cultural sector is one of the few sectors of the economy where competitive intelligence is published in the form of donor and supporter recognition pages. This makes it possible to benchmark your organisation and projects against your peers.

Think of organisations that are seeking similar artistic, educational or social outcomes as your project. Drill down on their funding mix. Which grant-making organisations are supporting those projects? How do you think that project would fit the objectives of the funder? Look for funders operating in your state, but also those who are prepared to fund projects nationally.

Current supporters

Existing funders, your board and network of advisors are in a unique position to introduce you to like-minded funders because they see and experience the impact of your work. Ask them to introduce you to individuals, trusts or foundations with an affinity for your work.

Private ancillary funds

Private ancillary funds are charitable trusts set up by individuals, families and businesses. They contribute an estimated \$800 million to the not-for-profit sector.

The private nature of these funds – and of many trusts and foundations – makes them difficult to identify and communicate with. To build relationships with the trustees of private ancillary funds, use the same relationship fundraising practices as for **major gift fundraising** and the same cultivation process.

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The Approach

When your homework is complete, you'll have a list of potential funders, understand their criteria for funding, and have a good sense of the information they'll look for in your application. Make sure you have the appropriate charitable status to apply to the fund. Usually this is **Deductible Gift Recipient** (DGR) status and/or Tax Concession Charity (TCC).

Start a conversation

Try to talk to a representative of the foundation. This may not be possible depending on the nature of the entity and whether it is staffed. Increasingly, large foundations are happy to engage with grant seekers prior to application.

Provide an overview of your project and ask about hidden constraints the foundation might be working around. They may have fixed amounts to give away in any given year or may need to spend money on certain art forms or have a specific geographic footprint. Find the angles that will help you put your best foot forward. Make notes and incorporate as much of their language into your application as possible.

Be rigorous about the application process

Simplicity is key. Write clearly and succinctly, avoiding industry jargon. Emphasise outcomes and impact. Compile a **credible grant budget**: include administrative costs and itemise each cost. Show rather than tell by including evidence such as links to video, media articles, images and letters of support or testimonials from clients or colleagues.

Address the issue of sustainability

Foundations see their role as seeding new initiatives, building capacity and giving you tools to grow into a stronger organisation and increase your impact.

In your application, you need to show that you've thought through what happens when the grant funding stops. How will you use the security of the grant to build and diversify your revenue streams? At the end of the grant period, indicate how much of the project budget will come from fees for service versus other forms of earned or contributed income.

What if the foundation is 'by invitation only'?

A growing number of foundations and private ancillary funds accept Expressions of Interest and applications by invitation only.

Don't send unsolicited applications. Try sending a short briefing document by way of introduction. Include a cover note thanking them for their generous support of the sector. Draw attention to your work in this space and its impact. Invite trustee/s to experience your organisation by joining you at an event.

Financial and philanthropic services companies

Financial and philanthropic services companies, which provide services to trusts and foundations, also like to know about great work happening in the community. They won't actively represent your organisation to their grant making clients, but it's good to be on their radar. Try sending a short briefing document as a first step.

FURTHER READING

A Grant Seekers Guide to Trusts & Foundations - Philanthropy Australia

Please note, the following directories and resources require payment
Foundation Search Australia – a tool for locating Australia's largest foundations and trusts

Directory of Funders – subscription-based directory from Philanthropy Australia

Ask Right – an online database listing Australia's Private Ancillary Funds



how to write a great grant application



To identify the ingredients of a great application for trusts and foundations, we asked one of the dedicated individuals who reads hundreds of requests every year.

Louise Arkles, Arts Program Manager at The Ian Potter Foundation, explains what matters to your grant making audience.

Funds are awarded to good projects, not good applications

The best applications come from the heart. They're not the most perfect or beautifully written but they're usually put together by the organisation themselves. They present an opportunity or solution to an honest problem and demonstrate widespread benefits. If there are potential ripple effects across an artform or a geographical area, even better.

"We look for projects that shine through as something really exciting, strategic, valid, urgent and important," Louise says.

Evidence comes first, but don't hide your passion

Applying for a grant is different to communicating about a major gift or annual appeal. "We need specific details – not motherhood statements," Louise says. "If you write, 'Research shows ...' you need to specify what research, by which institution and when."

The applications that stand out demonstrate a passion, honesty and urgency that goes beyond the numbers. Be yourself and be succinct. You don't need strings of adjectives to convey your passion.

Address your organisation's biggest need or most urgent challenge

Don't develop a project based on what you think a foundation will like or what they've funded before.

"When I think this is the case, I'll ask, 'If you had \$50,000 of untied funds, what would be the most important thing you could achieve with that? Generally, the answer I get is the project I recommend putting forward in the funding application,'" says Louise.

Think through the full solution

Louise says grant applicants need to consider a problem or opportunity in its entirety: even if the solution requires a lot of money. There may be ways to stagger the funding or spread it across multiple investors. Outline a full solution that meets the criteria for success.

"Often arts organisations will try to be as modest and unassuming as possible whereas what they really need to do is make the case for what is genuinely needed," Louise says.

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Break down administrative costs

Make sure your budget reflects the administrative costs of providing that service or project, including staff time, travel, tools and project monitoring and evaluation. These components can and should be built into the budget.

“Like any business, not-for-profits need to run well and meet their legal and ethical obligations. We don’t like seeing organisations load overhead into the grant without detail or where it is not warranted,” Louise says.

Never ask a funder to cover the entire project cost

Funders won’t wear all the risk for your project.

“When we ask about the support you’ve secured for the project, we are looking to see what other relationships and financial stakeholders you have to help ensure your project is a success,” Louise explains. “We never like to be the only financial stakeholder apart from the organisation itself.”

This doesn’t mean all the money must be pledged or received at the time of writing your grant. But you do need to show a considered funding plan and a sincere commitment to following it through.

Plan for what happens after the grant

Show how you will achieve revenue growth and develop other sources of private sector support while you have the security of funding in place. According to Louise, proving that you’ll leverage the grant investment to multiply income for your organisation and contribute to its sustainability is vital.

If you were unsuccessful, don’t give up

There are always hidden variables in the decision-making process, many of which are beyond your control. Often these involve ensuring an equal distribution of funds across art forms and regions.

“If you were unsuccessful and you know what you’re doing is good, persevere. It may have been a matter of timing. Although you can’t reapply to us with that project, please don’t give up,” says Louise.

*This article originally appeared at SharpenCIC: **Arts Grants: insights from the other side of the table***

FURTHER READING

- How to seek funding step by step guide** – from Philanthropy Australia
- Writing funding applications concentrating on trusts and foundations** – Article from Knowhownonprofit.org
- Government, philanthropic and corporate grants: three different paths to grant application success guide** – from The Funding Centre

how to present a credible budget



Grant makers expect to see a rigorous budget for your project. Trying to look frugal can undermine your credibility.

When presenting a budget, don't avoid listing expenses so you look inexpensive. Nobody wants you to burden your team by adding more to their workload because you haven't budgeted appropriately from the outset. A well thought-through budget considers the following expenses.

Operational costs

Funding operational costs has become a more accepted part of grant making in recent years. Be specific and itemise expenses, from staffing and remuneration to travel expenses. Who are the best people for this project? If they're in the organisation already, how will you backfill their other duties? If they're outside the organisation, how will you pay them fairly? Providing information about your team speaks volumes to funders about your ability to deliver.

Marketing, communications & content development

Build in expenses for content development, marketing and communications so you can share your impact with the world. Everything you do to raise your profile will increase the equity of your brand and your credibility with funders.

Measurement tools and professional advice

In your grant application, you need to talk about how you'll measure success. Make sure that measurement tools and associated fees are included in the budget.

You may be able to evaluate your impact in-house or seek professional advice to build a scalable program that can be repeated over time. The evidence you gather will make your program more fundable and therefore, sustainable.

Don't forget the basics

Think broadly about your funding base. Trusts and foundations are looking for resourcefulness – they want to know if you're seeking other grants, philanthropic income and (ideally) some forms of earned income.

Triple check your figures. If you're working to a given template, the grant maker will often ask to see a break-even outcome where your expense column must be equal to your income column. Have your budget reviewed by others.

If you've addressed all these issues, you're putting your best foot forward with a credible project budget.

FURTHER READING

Key considerations for budget preparation guide – from Arts Queensland's Arts Acumen project

A Grantseeker's Guide to Trusts and Foundations – by Vanessa Beacher for Philanthropy Australia

Budget templates – from the Ian Potter Foundation



how to report on project grants



Reporting on the progress of your project is an essential part of the grant cycle. From writing progress reports to final reports, here are a few tips.

Reporting on the progress of your project makes you financially accountable to your funders. There are other reasons it is important: your data forms part of a body of knowledge about program models, outcomes, learnings and experiences. This ensures the entire sector is benefiting and learning from your work.

Reporting helps grant makers with their program direction and future funding decisions and provides the raw material for case studies. These can be published via your website and social channels, or included in future applications, increasing your visibility and brand awareness.

Progress Reports

Many grant makers will ask you to prepare short, regular progress reports because they know things don't always go to plan. As partners in your success, they will be open to changing course where required – but they can only do that when they know the full story.

Progress reports usually include financial reports, which are an updated version of the budget you submitted in your successful application. Add annotations to any variations.

Think of progress reports as opportunities to keep your funder abreast of the good, the bad and the ugly. They are invested in your success and in most cases you'll find you have a sympathetic and constructive partner behind you.

Final Report

In your final report or acquittal, you will need to measure your project against the goals, key performance indicators and budget set out in your original application (or against any adjusted performance indicators outlined in progress reports).

Your **measurement tools** will serve you well. Present your data or measurements of success. Highlight ongoing opportunities the project has created. The funder will be interested in how you've leveraged their support to unlock other forms of funding and earned income and raise awareness of your work.

Bring your project to life with photographs, video, testimonials, quotes and media stories. Funders like to share your success through their own channels so give them resources to help tell your story.

Before you write the final report, spend time talking with your team about the lessons you've learned. Explaining the challenges you faced and how you overcame them will help you, the funders and every mission-led creative organisation do its best work for the benefit of our communities.

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Reuse the data you collect

Creative practitioners and organisations often struggle to communicate their impact. Their work often has a range of positive impacts, some of which are easy to quantify while others are more difficult to capture and report on.

To acquit your grant, you'll need to capture "hard data" as your project progresses. Ticket sales, attendance numbers and box office revenue are good examples of hard data sources. Store any useful statistics, phrases or paragraphs in a dedicated folder. This will help cut down the work needed to report back to multiple funders at the end of the project. It also helps you build a database of facts and figures about your work.

"Soft data" helps you report on the intangible benefits of your work. Your final report is an opportunity to capture stories and testimonials that demonstrate the impact of your work. These testimonials can be reused in your fundraising activities. Give yourself enough time to conduct interviews, collect the soft data, and turn this information into compelling stories about your work. Don't leave your acquittal to the last minute and run out of time to do this.

You will only need to collect hard and soft data once, but you can use it many times. If you make a habit of collecting data as your project unfolds, your acquittal will be less of a chore. Think of your final report as a useful research task to aid future fundraising.

FURTHER READING

Reviewing financial acquittals and closing grants – article from the Australian Institute of Community Directors

Art & Us: Art & Money – panel discussion from The Wheeler Centre

The Nielson Foundation – on its support for the Biennale of Sydney

7 tips for writing a final grant report – by Give Well Community

