



P.O. Box 4071
 Madison, CT 06443
 (203) 421-5169

www.catholicschoolmgmt.com

CATHOLIC SCHOOL MANAGEMENT

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Researching and Applying to Foundations for Grants

(This issue of *Catholic School Management Letter* updates and replaces Volume XIX, No. 6, published in July 1998, on the same topic.)

“Catholic philanthropists are more active than ever and tend to fund those institutions that they know personally. That is why fundraising must be looked upon as relationship building. Good development work will seek to build excellent communications with funders, inviting them and enabling them to participate in a cooperative partnership to achieve a worthy purpose. Grantees will find that religious donors have much more to offer than their material generosity. Their advice, experience, network of friends and family can also be welcomed gifts that enhance the overall program direction.”¹

Raising money is often the least favorite part of an administrator’s job in running a successful Catholic school. However, without adequate funding, the Catholic school simply cannot survive. Development income and philanthropic support are essential to the long-term viability and vitality of Catholic schools.

As we have stated in previous issues of *CSML*, a Catholic school can and will be successful in attracting financial resources when it has:

- Clear statements of philosophy, mission, vision, and a profile of the graduate at graduation;
- An educational program worthy of support;
- An identified constituency with the ability and willingness to support the school;
- A comprehensive and well thought out development plan;
- Leaders and volunteers ready and willing to carry out the plan.

Preparing a comprehensive development plan is essential to establishing and maintaining financial viability. (See *CSML*, Vol. XXXIV, No. 1, September 2012, “Preparing and Using the Comprehensive Development Plan.”) Indeed, a Catholic school development plan has four objectives as follows:

- To educate various constituencies to the mission, vision, goals, and needs of the school;
- To broaden the base of human resources;

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- To invite alumni, alumni parents, parents, grandparents, board members, and friends to use their time, talents, knowledge, skills, and gifts to help fulfill the school's mission and to achieve its goals;
- To increase in a significant way the financial support available to the school.

Similarly, there are four funding components to a Catholic school development program. They include:

- Annual funds to secure unrestricted operating income;
- Gifts in kind (time, talent, or materials);
- Planned gifts to establish and build endowments;
- Capital campaigns to achieve major capital objectives.

Of course, not all of these components need to be employed simultaneously.

The annual fund drive is the most commonly used method of raising unrestricted dollars for the Catholic school. (In the past, fundraising events were most common.) The annual fund entails developing a cadre of ongoing supporters of the school. It is to this constituency that the school makes annual appeals for financial support, through face-to-face solicitations, mailings, special events, and/or telephone calls. Sometimes foundations and corporate giving programs are approached for annual support in addition to key members of the school's constituency. (See *CSMLs*, Vol. XXXIV, No. 3, January 2013, "Planning, Implementing, and Enhancing the Catholic Elementary School Annual Fund" and Vol. XXXIV, No. 4, March 2013, "The Catholic Secondary School Annual Fund.")

Planned giving is an effort to establish and build an endowment for the school. It appeals to individuals, particularly alumni, to provide planned gifts for the long-term benefit of the school and its programs. Among typical planned gifts are bequests, life insurance, charitable lead trusts, charitable remainder trusts, and gifts of property. Such gifts require forward, long-term thinking, and strategic planning. It is unwise to ignore the merits of incorporating planned giving into the school's comprehensive development plan. (For additional information on effective and affordable planned giving programs, see *CSML*, Vol. XXXII, No. 1, September 2010, "An Effective and Affordable Planned Giving Program for the Catholic School.")

Finally, there is the capital campaign, which offers a school the opportunity to meet its considerable capital needs. It is most commonly employed to raise the necessary funds to purchase land, acquire facilities, build additional facilities, renovate and expand existing facilities, and/or increase an endowment. Capital campaigns are directed primarily at individuals, rather than corporations or foundations. (For more information on capital campaigns, see *CSML*, Vol. XXXIV, No. 2, November 2012, "Planning and Implementing a Successful Catholic School Capital Campaign.")

The most important source of financial support is the Catholic school's constituency, especially its alumni. Religious giving accounts for more than one half of all private philanthropy in the United States. Clearly individuals are interested in religion as a category of charitable giving. By comparison there are far fewer foundations and other funding bodies interested in religion. Nevertheless, they do exist and the prudent development officer and/or board development committee should be aware of those foundations with an interest in supporting religious activities.

Applying to foundations and other funding bodies takes a good deal of preparation. However, the greater the preparation that is done up front, the higher the probability of success for the grant seeker. And with a focused approach, a great deal of time can be saved in the long run, both for grant seeker and grant maker. The following offers some practical advice to grant seekers applying to foundations.

Preparation and Research

A well thought out approach to grant seeking will aid one immeasurably when it comes to writing the applications. The best approach is one that involves initial research. Take advantage of the many excellent grant guides and directories that are in print and online, and regularly updated. Examples include: *The Catholic Funding Guide: A Directory of Resources for Catholic Activities* (FADICA, Inc.), *The Foundation Directory* (Foundation Center), *The National Guide to Funding in Religion* (Foundation Center), *Foundation Guide for Religious Grant Seekers* (Scholars Press), and the *Fund Raiser's Guide to Religious Philanthropy* (Taft Group). An especially helpful resource is The Foundation Center, with reference collections in Washington, D.C., New York City, San Francisco, Cleveland, and Atlanta, and additional cooperating collections in various cities in every state throughout the Country. The advantage to visiting one of The Foundation Center's cooperating

collections is that they have available for the public many reference books helpful to fundraisers, as well as copies of the IRS tax returns that private foundations are required by law to file. These returns provide accurate financial and funding information for each foundation.

There are two practical reasons for investing the time to thoroughly research funding organizations that have an interest in supporting Catholic education. The first is that it will save the grant seeker a great deal of time in the long run. The second reason to invest the time in preliminary research is that it will allow the grant seeker to prepare a very thorough application that matches the funding priorities and expectations of a given funding organization.

When conducting research, the grant seeker must first make sure that the foundation has an interest in supporting Catholic education and schools, and that it awards grants within the Catholic school's geographical locale. As a general rule, the likelihood of obtaining a grant from a foundation diminishes with distance. Some foundations limit their funding to a particular state, county, or city. A grant seeker should look for any stated limitations a foundation puts on its grant making. For example, many foundations will not support endowment funds, construction, or renovations. And finally, a valuable concern is the asset size of the foundation and its grant range. Each of these particulars is important to discern prior to applying to a foundation.

One final word of caution: do not be tempted to apply for a grant from a foundation when the foundation's funding requirements do not meet the school's needs. Moreover, do not waste time sending applications to foundations that state they only fund pre-selected organizations, or are outside of your geographical locale. Respect the funding limitations stated by the foundation and do not ask for a dollar amount that far exceeds the range of funding for that agency. This wisdom will help the prospects for a favorable response to your school's appeal.

Tailoring an Approach to Specific Foundations

Once you have a list of potential donor agencies meeting all these criteria, begin to tailor your approach to each one in turn. If the funding agency has printed guidelines or an application form that it requires, write or call for this material. The more information an applicant has at the beginning, the greater the chances of obtaining positive consideration.

Each foundation has slightly unique funding procedures, many with deadlines that fall at different times during the year. Even the largest Catholic foundations may have only one or two deadlines each year and preparation will ensure that critical deadlines are not missed.

In preparing to approach a funding agency, consider, if possible, a personal visit with the agency. A visit allows the opportunity to make personal contact and describe the school in a more detailed way. Many foundations and funding agencies do not conduct personal interviews. However, representatives may call applicants once a proposal has been submitted in full.

If an application form is not required for grant consideration, but simply a proposal, make sure that along with the proposal is included a brief (one or two pages is preferable) cover letter, describing the school, outlining the specific need for which funding is sought, specifying the amount requested, and describing how the money will be used to achieve the desired outcome. The important point is to be extremely concise and informative. The full proposal will elaborate and support your application.

The Proposal

Foundations requiring application forms actually make the grant seeker's task easier. Everything pertinent to the request will be included on the application form. It is more difficult to draft a proposal without guidelines. In this event, the following should always be included:

- A description of the Catholic school or religious education program.
- A mission statement.
- The problem or need and how the proposal will address it.
- A timeline for achieving the proposal's goals as well as the expected grant period. (Virtually no foundation will award grants for deficit financing and most will not fund "after the fact" requests. This requires good organizational skills on the grant seeker's part because there is often a significant lag time between the submission of a proposal and the awarding of a grant. The grant seeker must take into account that the grant usually will only be awarded for a program or project happening after the grant money is spent.)
- A list of the persons involved in the project and their qualifications.



Catholic School Management, Inc. is a full-service, comprehensive, consulting organization supporting Catholic Education with research, direct consultative guidance, training programs and publications. CSM provides the highest level of professional and personalized service to Catholic educational institutions both within the United States and internationally.

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- Financial information including a detailed budget, the amount being requested, as well as the total project cost.
- Other sources of support (both those already in hand and those pending).
- Evidence of tax exemption.
- A statement as to how the project or program will eventually be self-supporting.

Foundations and funding agencies with application guidelines will state any additional requirements that must be met. For instance, some Catholic foundations will require a letter of endorsement from the local Bishop or religious superior as part of the proposal.

Finally, it is always helpful to have insight into the underlying philosophy of the agency from which grant support is being sought. Accentuate and match the strengths of the applying organization to the foundation's particular interests.

Remember when appealing to foundations for grant support that foundations make up only a tiny percent of giving to charitable activities. The bulk of contributions to non-profit organizations comes from individuals.

Conclusion

Foundations recognize that they are in a position to address a wide array of social, religious, economic, and educational concerns. Foundations also strive to fund innovative solutions. Fewer and fewer foundations are interested solely in "bricks and mortar" requests. More and more foundations are looking for creative programs and strategies that, if successful, can be replicated in other areas. Attractive proposals are the ones that recognize exactly what excites a funder. Most major funders like to see evidence of collaboration with other organizations and are encouraged by a willingness on the part of the applicant to share successful programs or strategies with others. Funders also want to be reassured that an applicant is aware of any other programs or efforts addressing similar needs. A well researched, well prepared, and well written application will seek to convince grant making organizations that a decision to approve funding is a wise investment.

Catholic School Management is extremely grateful to Kerry Robinson who originally prepared the above article in 1998. Kerry was the original editor of *The Catholic Funding Guide: A Directory of Resources for Catholic Activities*. She has experience in philanthropy as a Catholic foundation board member and as a grant seeker, having served as the Director of Development for St. Thomas More Catholic Chapel and Center at Yale University. Kerry is currently Executive Director of the National Leadership Roundtable on Church Management.

¹ The Catholic Funding Guide: A Directory of Resources for Catholic Activities published by Foundations and Donors Interested in Catholic Activities (FADICA), Sixth Edition, p. 11