Resource B

How to Research Funders

THE VAST MAJORITY of prospect research for funding institutions that best match your organization's programs can be done in the comfort of your own office by using the Internet.

The Foundation Center (http://foundationcenter.org) will probably be the very first stop on your prospect research journey, as it remains one of the primary sources of information on the field of philanthropy.[1] The center's online description of its role in philanthropy is as follows:

Established in 1956, and today supported by more than 600 foundations, the Foundation Center is the nation's leading authority on philanthropy, connecting nonprofits and the grantmakers supporting them to tools they can use and information they can trust. The Center maintains the most comprehensive database on U.S. grantmakers and their grants—a robust, accessible knowledge bank for the sector. It also operates research, education, and training programs designed to advance philanthropy at every level. The Center's Web site receives more than 47,000 visits each day, and thousands of people gain access to free resources in its five regional library/learning centers and its national network of more than 340 Cooperating Collections.

You can access some basic information from the Foundation Center's website for free, including each private foundation's IRS Form 990-PF. (This form, which assesses compliance with the Internal Revenue Code, lists the organization's assets, receipts, expenditures, and compensation of directors and officers, and it lists grants awarded during the previous year.)

That said, you should be aware that this information (from the Foundation Finder section of the site) is very preliminary, consisting of contact information, type of foundation, IRS exemption status, financial data, and employer identification number (EIN).

The detailed data—the data that will tell you about a foundation's funding priorities, past grants it has made with more information available than in the Form 990-PF listing, annual report information, and the rest—is available for a fee through a Foundation Center resource, the Foundation Directory Online (http://fconline.fdncenter.org). According to the website of the Foundation Directory Online, it offers "the most comprehensive, in-depth information available on U.S. grantmakers and their grants, drawn from reliable sources, including IRS 990s, grantmaker websites and annual reports, plus data provided directly by grantmakers—ensuring the most accurate, timely information possible."

The Foundation Directory Online has the potential to cut down on the amount of time you need to dedicate to the compilation of information. Instructions are provided, and the website walks you through its use.

FC Search is another research option provided by the Foundation Center. It is the database on a CD-ROM, a portable research tool that provides access to over ninety-one thousand foundations, corporate donors, and public charities.

Two other websites worthy of mention are BIG Online (www.bigonline.com) and Foundation Search America (www.foundationsearch.com). Both are popular resources made available to nonprofits for a fee. These for-profit web-based resources provide online and telephone assistance for navigating the various tools available on the website, online classes to learn more about the various features of the database and website, access to grantmaker 990's, and a database of relevant articles. These websites also offer the ability to conduct in-depth analysis of prospective foundations.

If it happens that you do not have Internet access, locate your closest Cooperating Collection. Cooperating Collections are free funding information centers in libraries, community foundations, and other nonprofit resource centers that provide a core collection of Foundation Center publications and a variety of supplementary materials and services in areas useful to grantseekers.

If you both lack Internet access and are not close to a Cooperating Collection, then check out your local library. At minimum, libraries will have the printed Foundation Center directories for you to use.

Regardless of the road you travel with your prospect research, it should lead to this:

- The identification of prospect foundations and corporations—those whose interests most closely match what you are seeking to fund.

- A comprehensive understanding of the specific interests of each prospect so that you can target each proposal accordingly.

- The identification of any connections between your organization and one or more prospect foundations or corporations; the connection might be through someone who is on your organization's board of directors or staff or who is a volunteer or donor.

Here are some steps to online funder research:

1. Identify the search criteria you want to use in advance of starting your research. These can include key words, subject matter, geographic area, target audience, gender, race and ethnicity, and any other criteria that fit your interests. Doing this in advance will help you in refining and targeting your research.

2. Using the subject index of each directory, look up your predetermined subject areas and type of support indexes (new program, capital, general operating, and so on). Those foundations and corporations that fund within the type of support you are seeking and that also express an interest in one or more of your subject areas are likely your strongest prospects. Keep an eye out for funders located in your geographic area, as they are the ones most likely to give close consideration to your proposal.

3. Study the information on each prospect you have identified to learn all you can about it, as this will allow you to further determine whether there is truly a match.

4. Once you have identified those funding sources that best match your program's funding needs, visit their websites and get to know them even more. Review their annual reports, success stories of previous grants made, staff biographies, and everything else they are sharing with the public. Visiting each prospect funder's website to check guidelines is also a critical step because guidelines do change over time—and sometimes the changes are significant—but the changes may not have made their way yet into the online directory.

5. With all the information obtained from your prospects' websites, you can get a much clearer sense of how to target your proposals to "speak" to each funder in a language to which its program officer will likely relate. You will also have a grasp on how much you can reasonably request from each funder.

6. Create a prospect grid that lists every prospect identified; the program of your organization that most closely aligns with each prospect's funding interests as outlined in its grant guidelines; your proposed request amount; deadline dates; and all other pertinent information. Pass this prospect list around to your board and staff to determine

whether anyone has a personal contact on the board or staff of any of these prospect funders.

Here are a few additional, and more creative, ways to identify funder prospects:

1. Visit the websites of nonprofit organizations that are similar to your organization in their mission, geographic area, or target audience and take a look at their donor pages. Once you get the names of the foundations that have supported them, use an Internet search engine to find out more about these funders.

2. Survey your surroundings. Are there any corporate headquarters close by? Or maybe franchise outlets of popular chains (of restaurants, retail stores, conveniences stores, and the like)? Contact their corporate headquarters, and find out about their corporate contribution programs—for both funding grants and in-kind support.

3. Look on the donor walls of your local hospitals, universities, and museums. Make note of the foundations and corporations that support these institutions, and then look them up online to find out more. Who knows? You just might find a match, especially if your organization is of the same type.

4. Go to the Forum of Regional Associations of Grantmakers (www .givingforum.org) to locate your local regional association of grantmakers, and then visit that local association's website to see what resources and leads it might provide.

5. See if you can set up a meeting with the donor relations staff person at your community foundation. Your goal is to find out more about the donor-advised funds it has and to see if you can identify potential matches for your program, areas where your organization's interests match a donor adviser's interests.

Note

1. *Philanthropy:* (1) Voluntary action for the public good. (2) Love of humankind, usually expressed by an effort to enhance the well-being of humanity through personal acts of practical kindness or by financial support of a cause or causes. (3) Any effort to relieve human misery or suffering, improve the quality of life, encourage aid or assistance, or foster preservation of values through gifts, service, or other voluntary activity.