Fundraising - Class 4
Impact Fundraising – Corporate and Institutional Donors

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Estimated time to complete: 1 hour

Class Objectives:
- Understand the nature and expectations of institutional funders.
- Explore tools to identify aligned funding opportunities.
- Analyze the return on investment (ROI) and impact metrics funders expect.
- Create an action plan to strengthen your institutional fundraising strategy.

Self-Reflection:

Before you begin, consider:

- What experience do you already have with grant writing or institutional fundraising?
- What's one thing you hope to gain from this module?

Write your answers in a journal or document for reference.

**Impact Fundraising –
Corporate and Institutional Donors**

Module 1: Understanding Institutional Donors

Institutional donors are organizations, rather than an individuals, that provides grants and funding to nonprofits. They can differ significantly from individual donors. Their processes tend to be more formal and time-bound, and their decisions often involve multiple stakeholders.

Key Characteristics:
- Formal Timelines: Applications may be accepted annually or semi-annually.
- Group Decision-Making: Boards or committees often evaluate proposals.
- Focus on ROI and Impact: Funders expect to see measurable change.
- Alignment with Mission: Your proposal must align with their purpose.
- Detailed Documentation: Proposals typically require a clear budget, timeline, objectives, and evaluation methods.

Action Activity: Compare Donor Types

Create a simple chart comparing individual and institutional donors in your context. Consider:
- Decision process
- Relationship development
- Reporting requirements
- Timelines

Self-Reflection:
- Think about one grant you've applied for. What made the process easy or difficult?
- List three ways institutional funders differ from individual donors.

Module 2: The Grant Cycle

Understanding a typical grant cycle can help you plan accordingly.

Stages:
1. Identify and research funders
2. Cultivate relationships
3. Develop and submit proposals
4. Implement funded projects
5. Report on outcomes

Due Diligence & Research

Engage

Cultivate

Apply

Researching Funders

Finding aligned funders is a key part of the process. Some resources include:

- Foundation directories (e.g., Candid/Foundation Directory Online)
- Government portals (e.g., Grants.gov)
- Newsletters or bulletins from regional or field-specific associations
- AI tools like ChatGPT to generate ideas based on criteria like location, mission, or funding type

From Research to Application

Once you've identified potential funders, conduct due diligence:

- Review their public materials.
- Look for board members or staff you might already know.
- Confirm eligibility and funding types.
- Understand their application and reporting processes.

Pre-Application Readiness Checklist

Use this checklist before applying:

- Project goals are clear.
- Budget and timeline are drafted.
- Internal data supports your case.
- Funders' priorities align with your initiative.
- You've identified any required documentation.

Action Activity: Funders List
Choose one of your current or future projects. Then:

- Identify at least 3 potential funders that align with your focus.
- Note their application deadlines, funding priorities, and past grantees.

Self-Reflection:
- Where do you currently find grant opportunities?
- Are there steps in the grant cycle where you get stuck?

Module 3: Articulating Organizational Value
Objective: Effectively communicate your organization's strengths and impact.

Articulating Value
When telling your organization's story:
- Emphasize strengths, accomplishments, and plans.
- Keep requests specific and data-informed.
- Ensure alignment with funder interests.

Key Concepts:
- Be specific about your request.
- Have your project goals, timeline, and budget clearly defined before applying.
- Do your research so you are not duplicating efforts with your project. Find out what others around you are doing as well.

Action Activity: Your Story, One Page
Write a one-page summary of your organization and your proposed project. Include:
- Mission
- Need or challenge addressed
- Proposed solution
- Anticipated outcomes
- Budget summary

Self-Reflection:
- What makes your organization uniquely positioned to meet your community's needs?
- Practice writing a 2–3 sentence summary of your project's value.

Module 4: Measuring Impact

Objective: Use data to demonstrate effectiveness.

Types of Data:
- External Data: Collected by outside sources (e.g., census, public databases). Useful for establishing context and demonstrating need.
  - Quantitative
  - Examples include:
    - Census data
    - Industry data
      - Bureau of Labor Statistics
      - Industry Specific Organizations
      - Guidestar/Candid
    - Government/Institutional sources
    - Foundation Research
    - University Research
    - Government Research (Local, Regional, and Federal) – The Government measures almost everything!

How do we use it?
  - To demonstrate needs of the community
  - To create broader community, regional, and national context

External data can be best for broader trends, not hyper-local. Look for sources that have already compiled data to support an issue or region.

- Internal Data: Collected by your organization.
  - Quantitative and qualitative
  - Examples include:
    - Participation rates
    - Outcomes or changes observed
    - Testimonials
  - Important to assess which metrics are important to measure to make sure you are achieving your goals and aligning to your values.
  - Incorporate into feedback loops and natural workflows as much as possible
  - Automation is your friend. Integrated solutions can be expensive but they can also save a ton of labor time!

Opportunities for collecting internal data:
- Surveys
- Testimonial Videos/Statements
- Intake and Reporting Data
- Texting Services
- Integrated CRM/Website Solutions

Low-cost tools:
- Survey Monkey
- Google Forms
- Qualtrics

Tips:
- Choose metrics before your project begins.
- Combine quantitative and qualitative data.

Self-Reflection: What data do you already collect? Are there gaps that make it hard to report outcomes?

Action Activity: Select one program and outline what data you could collect to show its impact.

Module 5: Success Metrics vs. Vanity Metrics

Key Concepts:
- *Vanity Metrics*: Easy to measure but may not reflect real impact (e.g., number of flyers distributed); Surface-level numbers (e.g., followers, attendees)
  - Examples: number of training programs, number of participants, dollars raised, clicks or page views, etc.
- *Success Metrics*: Outcomes that show meaningful change (e.g., graduation rate, job placement); Outcomes that show real change (e.g. skills gained)
  - Examples: financial well-being score, improved health indicators, greater access to resources, reduced ER visits, increased employment in industry/field
  - Example: https://www.arc.gov/resource/guide-to-arc-project-performance-measures/

Self-Reflection: What are some vanity metrics you might be using? What would be a more meaningful way to measure success? What are some solutions to these gaps that make it hard?

Action Activity: Revise one of your current metrics to make it more outcome-focused.

Data Management and Quality

Good data hygiene is critical for telling a clear and consistent story. Tips to remember:
- Create intake forms that mimic your data collection processes.
- Develop guidelines for how to input your data. Develop a data management Standard Operating Procedure (SOP).
- Regularly review for consistency in data entry.
- Periodically clean your database (remove duplicates, update contacts).
- Utilize a software to collect and store your data.
- Garbage in – Garbage Out! Incomplete or inaccurate data inputted into the system will create falsities that may impact your work.

Action Activity: Evaluate Your Data Systems
Answer the following:
- What tool(s) do you use for data collection?
- Who inputs and manages the data?
- How often do you check for accuracy and updates?

Grant ROI and Sustainability
Consider:
- What does success look like?
- What resources will it take (time, money, people)?
- What are the risks or trade-offs?

Action Activity: ROI Estimate
Choose a potential grant and estimate:

- How much staff time will it take to apply?
- What reporting will be required?
- What's the potential financial return?
- Is it worth pursuing?

Module 6: Bringing It All Together: Action Planning

Use your notes and activities from this module to complete an action plan.

Action Activity:
1. Identify 2–3 funders to explore
2. Draft a 1-page concept note
3. Set 2–3 goals for improving data collection and usage
4. Develop a simple evaluation plan for one program

Instructions:
- List your top 3 takeaways from this course.
- Set one goal related to institutional fundraising for the next 90 days.
- Identify what support, tools, or information you need to achieve it.

Self-Reflection: What is one commitment you can make today to strengthen your fundraising efforts?

Conclusion

By understanding funders' expectations, identifying opportunities that align with your mission, and analyzing ROI and impact metrics, you're better equipped to approach institutional fundraising strategically. With an action plan in place, you can strengthen relationships with funders and position your organization for long-term success.