

26, October 2011

Dear Friends,

We hope you enjoy this week's edition of the Newsflash!

Sincerely,

The Firelight Team

(Call for proposals) Dining for Women's Call for Grant Proposals

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(Call for proposals) Dining for Women's Call for Grant Proposals

Dining for Women (DFW) is an educational giving circle: The members meet monthly, learn about our featured program, then donate to grassroots international programs empowering women living in extreme poverty. DFW funds programs that foster good health, education, and economic self-sufficiency in developing countries. DWF is devoted to educating and inspiring individuals to make a difference and fight global poverty through the power of collective giving.

DWF will be awarding 6 grants in this funding cycle, July - December 2012.

Please note that actual grant funding checks are sent 60 days after an organization is featured. For example: a program featured in November 2012 will receive a funding check on February 1, 2013.

Application Criteria

Please note that your organization **MUST** meet ALL the following criteria to be eligible for a grant from Dining for Women.

- Support women and/or girls who face extreme challenges in developing countries
- Promote self-sufficiency, economic independence and/or good health for women and girls being supported
- Tie funding to direct impact on individuals' lives
- Provide evidence of long-term sustainability and program success
- Provide relevant educational resources; includes providing and sending an educational DVD to all DFW registered chapter leaders
- Provide prompt and specific reporting about DFW funded program

- Effectively manage a variable DFW grant that could range from \$20,000 - \$50,000 and be distributed over a two-year period if requested.
- Direct a minimum of 75% of expenses to programs
- Be a public charity 501(c)(3) US nonprofit organization or foreign organization operating with a US nonprofit sponsor
- Operate independent of religious or political affiliation

Priorities

- DWF prioritizes funding for organizations that:
- Focus on the UN Millennium Development Goals as pertaining to women and girls
- Are located in a region or country with both extreme need and limited funding resources
- Are organized and led by women from particularly marginalized populations
- Demonstrate ownership and direction by the women being served by the programs
- Indicate community involvement in problem solving
- Can provide support material and information for the education of our members on critical issues women face around the world. This can be personal stories, photos, program materials, on-line resources, regional and cultural information, etc.

Dining for Women's mission as an educational giving circle means that our featured programs vary every month, explore different regions of the world, address diverse issues and emphasize our support of Millennium Development Goals.

Based on DWF's educational mission, for the second half 2012 funding cycle:

The issue areas to be considered are:

- Maternal – Child Health
- Women's Healthcare
- Sex/Human Trafficking
- Food Security - Water
- Women's Leadership
- Policy, Law, Advocacy, Property Rights
- Economic Development

Special consideration will be given to programs that support the following geographical areas:

- India
- South Central Asia: Afghanistan, Pakistan
- Southeast Asia: Indonesia
- South America
- Caribbean - Dominican Republic

Last date for submissions: October 31, 2011

For more go to: <http://diningforwomen.org/Programs/grants>

(Call for Proposals) The Fund for Investigative Journalism invites Grant Proposals for Investigative Projects and Books

The Fund for Investigative Journalism (FIJ) is currently accepting grant proposals from eligible applicants for investigative projects and books.

Since FIJ was founded in 1969, it has awarded more than \$1.5 million in grants to freelance reporters, authors and small publications, enabling the publication of more than 700 stories and broadcasts and some 50 books.

The projects that are eligible to apply for this grant include investigations involving government accountability, environmental issues, or local issues with national implications. Watchdog reporting for ethnic media is also encouraged.

Proposal Submission

The proposal must include a letter outlining the story, what the applicant expects to prove, how this will be done, and the types of sources for the proof. Anticipated completion date must also be mentioned. It is expected that the project lengths vary from few months to one year. If more time is needed, please explain that in the proposal. For books, include the anticipated publication date.

In case the proposed topic of the investigation project has already been covered, the applicant must explain in the proposal what has already been done, and how the proposed investigation would break new ground or significantly advance the story.

The applicants are required to submit their resume, a detailed budget justifying the size of requested grant, two writing samples or one sample book chapter, and a signed letter of commitment from a news executive for the intended news outlet. The letter of commitment must be presented on the news outlet's letterhead and state its intent to publish or broadcast the investigative report as proposed, as long as the finished work meets the news organization's standards.

In the case of individuals seeking grants for books, a signed copy of a contract with a publisher is required and should be substituted for the commitment letter. Applications submitted without a letter of commitment or a book contract are ineligible for grant awards.

Last date for submissions: November 1, 2011

For more go to: <http://fij.org/apply-grant/>

(Call for Proposals) Starbucks Foundation Funding Opportunity for Youth Focused Organizations

The Starbucks Foundation is interested in supporting organizations that provide young people a continuum of services in developing creative approaches to address pressing concerns in their communities. It supports organizations that

- provide training to young people to develop necessary skills and knowledge to incubate ideas, identify and assess community needs, create a plan of action, execute a plan and evaluate outcomes against goals

- build ongoing leadership capacity and long term engagement of young people

- communicate young peoples' success stories through various media (print, video, web based).

Successful grant applicants will exhibit all of the following qualities:

- Deliver services to youth, ages 6 – 24

- Preference will be given to organizations that focus on young people in the age range of 12 and older, when they are able to take independent action

- Provides opportunity to combine learning with action that support communities and further global citizenship

- Deliver services, disseminate information, provide training and/or build broad networks

- Provide opportunities for Starbucks partners and multiple stores to be engaged in community service

Eligibility Requirements

The following types of organizations are eligible to request funding from The Starbucks Foundation:

- U.S. applicants must be tax-exempt, nonprofit organizations as defined under Section 501(c)(3) of the Internal Revenue Code.

- Applicants outside the United States must be charitable in purpose and identified as nongovernmental organizations (NGOs) or the equivalent of a tax-exempt nonprofit organization.

Funding Size

The Starbucks Foundation will consider grants between \$10,000 and \$30,000. Please be specific about the amount of funding you are requesting. Funds should be spent within one year of grant award.

Funding will be considered based on numbers of beneficiaries served,

geographic reach, organizational capacity, and size of operating budget.

Last date for submission: December 1, 2011

For more go

to: <http://www.starbucksfoundation.com/index.cfm?objectid=BE688C92-1D09-317F-BBA1CDA8E271C9CB>

(Article) Finding Your Funding Model

Nonprofit leaders spend an enormous amount of time on fundraising, but many typically have little idea how to secure the money they will need over the next five years. At the same time, their vision for how the organization's programs will evolve over the next five years is often sharp and clear. The rub is that a well-thought-out approach to raising revenue is essential to sustaining those programs and increasing their impact.

When they're small, nonprofit organizations can often meet their budgets by inspiring a handful of donors, seizing unanticipated funding opportunities, or cobbling together a mixed bag of funding sources. Charismatic leaders are often the key to swaying prospective funders. But as nonprofits get bigger, personal relationships and catch-as-catch-can are rarely enough to sustain large-scale fundraising needs.

This article is a response to those requests for the "how" of funding models—the basic principles through which organizations can understand and investigate their long-range funding options and then develop a realistic plan for choosing and implementing them. The principles are born out of our research as well as consulting experience with dozens of nonprofit clients that have sought pathways to growth and financial sustainability.

When to Develop a Funding Model

Funding models aren't opportunities to get rich quick. They generally require considerable time and investment to take hold. Many nonprofits just aren't ready to take that plunge. A nonprofit is a good candidate if it is free of immediate financial distress and can focus on developing a long-term funding strategy. Its leadership team must be willing and able to invest in the staff and systems required to support the funding model—and not consumed by efforts to keep the doors open.

An organization also needs to be clear about what it wants to achieve with a funding model, which requires clarity about its programmatic goals. Does it want to propel rapid growth? Become more financially secure while remaining at

roughly the same scale? Expand into a new program area? Each of these objectives is likely to imply a different “right” funding model.

The Benefits of Having a Funding Model

Finding a funding model is indeed a journey—typically neither short nor linear. And there’s no guarantee that even the best-fit model will meet the nonprofit’s funding aspirations. Why, then, do we advise many organizations to develop a funding model?

Simply put, we believe that having clarity about how a nonprofit will fund its mission is as important as having clarity about how it will deliver its programmatic impact. Almost every nonprofit has two jobs, each with its own set of external stakeholders. One job is to identify beneficiaries and make a difference for them with programs. But beneficiaries rarely pay the tab—or at least not all of it. Hence the second job: cultivating a distinct set of funders. Building and scaling sustainable financial support is as complicated and important as figuring out the programmatic dimensions.

In our study of funding models over the last several years, and our work with a wide range of nonprofits, we have established guidelines to help nonprofits identify and develop the funding model that’s right for them. First, **get a sense of where you are**. Second, **take inspiration from your peers**. Third, **weigh revenue potential against associated costs**. And fourth, **pave the road**.

1. Get a Sense of Where You Are

With funding models, the way forward starts with a look back. An organization needs to reflect on the relative strengths and weaknesses of its current and historical approach to funding. This knowledge will pave the way for implementing a funding model that builds on those strengths and navigates those weaknesses.

An organization is likely to think it already knows a great deal about how it has raised money, yet there’s a danger that some of what it believes is wrong. Consider the experience of an education nonprofit that believed that tours of its diagnostic learning clinics were the key to getting individuals to fund the organization. The group was so convinced of the power of site visits that it spent a disproportionate amount of time arranging tours. And it planned to build more clinics, in part to enhance its ability to raise funds. When the group examined the percentage of total funding that came from donors who were motivated by clinic visits, however, it learned that it was a startlingly low percentage. With this knowledge, the group abandoned its plans to build more clinics and refocused fund development efforts on other areas.

We recommend that organizations in search of a funding model start their research by focusing on three areas: funding sources, funder motivation, and fundraising capabilities.

Funding sources: Analyzing historical data can help an organization articulate (to board, staff, and future funders) what the current revenue streams are and how it may want to change them in the future. We suggest going back five years to get a clear picture. Important questions to answer include “What percentage of ongoing costs is covered by renewable funding sources that are very likely to continue for at least the next three to five years?” and “Across how many funders are funding sources spread?” Ideally, an organization garners revenue from three or more funders, thereby giving it a good chance of weathering the loss of one. What percentage of funding is restricted to non-core operations and programs? As a general rule of thumb, we define an organization as being in a relatively strong position if no more than 30 percent of funds are restricted to non-core activities.

Funder motivation: Understanding why funders give can help a nonprofit better predict which types of funders are likely to give in the future. The goal is to see if there is a natural funding match between a particular program model and the existing motivations of potential donors. Important questions to answer include “Are the funders motivated by an organization’s track record, the specific population it is working with, or the personal relationships with the top leaders?”

Fundraising capabilities: An organization needs to be honest about what funding sources it can realistically hope to secure and what organizational investments would be necessary in order to do so. Important questions to answer include “Does a single individual (such as the CEO or a board member) generate most of the revenue, or is fundraising more institutionalized?” and “What are the development team’s current capabilities?” Different funding sources may require different skill sets. Someone who is successful at cultivating major donors may not be able to write complicated government grant proposals.

2. Take Inspiration from Your Peers

Savvy nonprofit leaders take insight and inspiration from their peers. Nevertheless, we’ve seen many nonprofit leaders resist this principle, reasoning that their organization is unique and thus requires a unique funding model. Although creating a never-seen-before funding model is possible, doing so is generally far more difficult and less certain.

What is a **peer organization**? It may be one that is similar in issue focus (such as disease eradication) and revenue size. But if growth is a goal, the funding approaches used by peers of the nonprofit's target size will likely be more informative. Choosing larger peers also helps reveal organizations that are more successful at fundraising. Once the peer group has been selected, it is time to take a close look at each organization's funding model. Two elements are especially important to understand. The first is the overall funding mix. Here the focus is on understanding the individual streams of funding— how many discrete sources the peer organization taps, what those sources are, and what tactics it uses to cultivate them. This knowledge will provide insight into key characteristics of the organization's funding approach— who its main funding decision makers are and how reliable its funding base seems to be.

The second element to understand is the programmatic, financial, and governance differences between your organization and the peer. Adopting a new funding model will undoubtedly require new capabilities—in fundraising, performance measurement, reporting, and sometimes even program design and delivery. But if these new capabilities are too far afield from the organization's current ones, the odds of success may be lower. In researching peers, a nonprofit should identify the key differences with these organizations that may make it hard to follow in their footsteps. These may include organizational structure, age and brand recognition, magnitude of development resources, use of outcome data to demonstrate results, and the size and prominence of the board.

3. Weigh Revenue Potential Against Associated Costs

In assessing a funding model, weighing costs and benefits is essential. The revenue the nonprofit can reasonably expect to access through a given funding model must be sufficient to warrant the program, staff, and systems investments required to develop it. Assessing the revenue potential of a given funding model means digging into its leading types of funding, considering in particular the priority funding sources, the total dollars awarded annually through each of these sources, and the level of competition for those funds. In the organizations we have worked with, we have seen that investment in four areas may be required: programs, personnel, information technology (IT) systems, and communications.

Programs: It may be necessary to refine an existing program to meet the funding source's standards or to introduce an entirely new program or serve a different group of beneficiaries. That said, the strongest organizations tend to be the ones that remain focused on what they do best.

Personnel: New capabilities and more staff time are often required to develop and manage the funding associated with a new funding model. A nonprofit may need to create and fill new roles, adjust the way the CEO spends his time, replace existing staff who lack the skills the new funding model demands, add more staff in areas where it is capacity constrained, or provide more training.

IT systems: New funding models often place greater demands on IT systems, especially in performance measurement. Existing systems may not be sufficient to support the reporting requirements of new funders or to provide the information needed to manage a growing organization. And stepped-up efforts to cultivate individual donors may require a more robust online donor management system.

Communications: Depending on the funding model, top-notch communication materials may be required to support external relations and marketing. Perhaps a more compelling annual report will be important in cultivating individual donors, or more effort will be needed to garner press coverage.

4. Pave the Road

Getting a deep understanding of one's own fundraising approach and history, learning from peers, tallying the likely costs of change and weighing them against expected benefits—are three critical steps on the road to a funding model. And when the time comes to pilot and implement the one or two most promising funding models, a well-developed plan is essential.

Note that we said one or two promising funding models. Moving forward with more than two carries a high risk of overtaxing management and development staff. Succeeding with a funding model hinges on getting really good at cultivating its characteristic funding sources, so splitting staff in too many directions is bound to undermine even the best efforts. Few of the 144 nonprofits identified in "How Nonprofits Get Really Big" built their organizations around more than one funding model. Almost none had more than two.

Then why not just settle on a single funding model right now? The issue is uncertainty. At this stage, it may still be difficult for a nonprofit to know which model will work best, and there could be benefits in trying out the two most promising options to see which has the best prospects.

When pursuing a new funding model one should not relinquish existing funding

sources that don't fit with the new model. These proven secondary sources may go a long way toward complementing the primary funding source, and serve as a stabilizer if the primary source has ups and downs. For example, although Susan G. Komen for the Cure derives the bulk of its revenue from small donations, corporate sponsorships for its breast cancer walks constitute a healthy secondary source. The new sources will become the growth engines for the future, whereas revenues from current sources may remain roughly steady, and thus represent a declining share of the organization's growing funding base.

New funding models typically require two to three years to take hold. A good implementation plan is an invaluable resource as the organization paves its new road. The implementation plan will give staff and board a shared vision of where the organization is heading. It also will establish clear milestones and a learning agenda, making it easier to track progress and make course corrections.

For more go

to: http://www.ssireview.org/articles/entry/finding_your_funding_model?utm_source=November_Webinars_10-25-11&utm_medium=email&utm_campaign=November_Webinars

As part of the Firelight Foundation's Capacity Building Program, Firelight provides "Newsflashes" to share relevant resources and information with our active grantee-partners via weekly emails and via post on a monthly basis. We hope that by facilitating access to information for grassroots, community-focused organizations, programming for children and families, as well as organizational development, is enhanced. Past editions of the Firelight Newsflash can be found on our website: <http://www.firelightfoundation.org/newsflash.php>.

We welcome your comments, feedback and ideas for upcoming Newsflashes at newsletter@firelightfoundation.org.