

## Don't Start Your Nonprofit Grant Writing Until You Read This

Nonprofithub.org

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**Before you start your nonprofit grant writing and filling out grant applications, stop.**

There's an important question you need to ask yourself before applying for grants:

*Should we be applying for grants in the first place?*

The answer: Yes!—but always with some qualifications.

Let's be clear: there are tons of opportunities for grants to be part of your fundraising plan. But too many people run to grants first thing as one of their biggest funding sources, and end up hurting later on. We want to keep you from that fate.

### 3 Reasons Grant Writing is Perfect for Your Nonprofit

Grant writing can seem almost mystical. If you aren't familiar with the field, you probably have one of two perspectives.

Which of these do you believe?

- **Grant writing is a mysterious, capricious art.** You might as well consider playing slot machines as a viable nonprofit funding source, or devote all your marketing efforts to getting on the front page of the New York Times.
- **Foundations are the benevolent Santa Clauses of revenue**—just waiting for you to ask. Simply write the correct combination of words to instantly fix your funding problems and delight in the richness of unrestricted funding.

While the reality is more complicated than both of these positions, here are three reasons why a nonprofit SHOULD pursue grant writing for their organization:

1. **There's a lot of money out there:** [Over \\$50 billion dollars](#) are awarded every year through foundations and corporate grants. If you aren't applying for a piece of the pie, that's money left on the table—or being given to other organizations.
2. **Grants exist for any kind of nonprofit:** Even new nonprofits can get grant money. Many foundations fund exclusively local nonprofits. It's simply a matter of whether you're willing to research and connect with the right funders.
3. **You can fund any kind of need:** While project-specific funding is most common, it isn't the rule. There are grants that exist to provide funding for capital campaigns, operational costs, endowment funding and even unrestricted funding.

But before you dive into foundation research and looking up grant writing tips, know there's no such thing as a free lunch.

And for many of us, jumping into grant writing too early, or as your sole focus, can be a costly mistake.

### **3 Reasons Grant Writing for Nonprofits Could Be a Huge Mistake**

If you think that grant writing is a quick, simple solution to your nonprofit's funding woes, you're in for a surprise.

1. **Applying for grants is hard work:** If you want a reasonable chance of getting your grant application accepted, you won't be able to write one generic application and send off duplicates to foundations. You'll need to do some intense research to tailor your application. And even when you do the work to stack the deck in your favor, there's no guarantee you'll be funded!
2. **Grants can't be your bread and butter:** Grant-based funding isn't sustainable alone—it has to be part of a diversified fundraising plan. Most recommend around 20% of your funding be grant-based; any more than that, and you risk sinking your organization if a key grant falls through.
3. **There are strings attached:** While unrestricted funding exists in the funding world, it's much rarer to win than grants with more specific goals. Typically, the grant will be allocated to fund a new program, which encourages frequent grant applicants to create new programs instead of supporting past successes.

### **The Cheat Sheet: Don't Start Grant Writing Until You Complete These 5 Steps!**

In other words, applying for funding from foundations, corporations or the government can be an awesome way to supplement your current fundraising plan.

But by itself, grant writing won't solve huge problems in your fundraising plan.

Here's your cheat sheet when deciding whether to rally your resources to apply for grant monies:

1. **Create a diversified fundraising plan**, where grant-awarded money constitutes no more than 20% of your fundraising goals. This is true for any part of your fundraising plan—for example, you should be nervous if a single major donor represented much more than 20% of your revenue.
2. Make sure you have the resources and time to **research foundations and grant writing opportunities** for your organization. Commit to this in advance.

3. **Find a qualified writer** who has experience writing grants, or **invest in grant writing training for an existing staff member**. Otherwise, minor errors might leave you without a grant and wasting precious time.
4. **Commit yourself to applying to a grant *only* if:**
  - You match *all* the foundation's qualifications
  - You're willing to research and write *tailored* applications for each foundation
  - You apply only for the kinds of funding you *already* identified you are pursuing in your fundraising plan. (e.g., Don't decide to apply for capital funds if you really need unrestricted funding!)
5. **Understand most first-time grant applications are rejected.** It's rare to be accepted for a grant without an existing relationship with the foundation, and like all fundraising, no might mean "no for now." Grant writing is for those willing to play the long game.

Applying for funding is well worth it for those who are willing to put in the hours and understand that grant money is just one piece of the puzzle. Just don't expect grants to solve all your problems, or you'll get burned.