



National
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SPECIAL*Report*

Making the Chamber 501 (c)(3) Foundation a Tool For Positive Community Action

A Fresh Ideas in Fundraising White Paper

By

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Foundation Funding for Chamber-led Initiatives

If you think getting big dollars from foundations is about fancy grant writing, think again. Experience shows that the pen is not mightier than the relationship when it comes to scoring with foundations

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Raymond Burns, CCE, President of the Rogers-Lowell, Arkansas Chamber of Commerce has a stable million dollar annual budget, but he always knows where to find an extra \$100,000 or so. Raymond is one of a relatively small number of Chamber executives who have figured out how to successfully obtain funds from foundations and, surprising, writing grant proposals is not the secret. Not only have they discovered how to score impressive grants, they are making foundation funds an ongoing part of their funding strategy. “I typically have about 10% of my operating funds coming from foundation sources,” says Raymond. It should be noted that the source is not just the foundation of that famous retailer located down the road in Bentonville, Arkansas. Raymond does acknowledge a particularly strong relationship with the **Wal-Mart Foundation**, but he also knows a good bit about the **Walton Family Foundation**, a separate entity, as well as other reliable sources of extra financial support for his Chamber. While he can explain, for example, the giving preferences of the Sam’s Club operating entity and knows that the Wal-Mart Foundation sometimes channels gifts through that particular company, he’s familiar with the giving patterns of other grant makers too.

Finding Hidden Wealth

“Getting money from foundations isn’t especially complicated, but it does take more than writing skills,” says Burns. “In the Rogers-Lowell, Arkansas area, as in most communities, there are more foundations than you might first suspect. The foundations related to Wal-Mart are obviously good sources, especially for local community needs since giving back to communities where they have operations has always been a core value of the company. When we have a funding need, the first job is to find the most likely prospects and make an appeal for a specific amount to fund needs that are a good match with their stated purposes. We’ve received grants for capital projects as well as for elements of our economic development programs. The sources have been electric co-op foundations, family trusts, utility company foundations, and the foundations of major companies like **Southwest Bell, Bank of America and RegionsBank.**”

Asked to share the secrets of his success in acquiring foundation funds, Raymond counsels, “. . .relationships with representatives at the local level and the willingness to do your homework, making the ask and, very importantly, having the patience to wait for the answer.”

Finding a match with the right donor

Terri Cole, CCE, President of the Greater Albuquerque, New Mexico Chamber got big money from the charitable foundation of America's third largest bank for an innovative project her Chamber is leading. The **Bank of America** made known its commitment to local education improvement when its CEO spoke at the Chamber's annual meeting. Recognizing that the CEO's genuine enthusiasm for educational excellence was a close fit with the Chamber's "Every Child" education reform initiative, the Chamber laid out its case. Explains Cole, "Our Chamber is taking the lead on statewide education system reform and we needed to raise \$1.2 million to implement our plan." NCDS managed the fundraising campaign and one component of the strategy to be funded was establishing a system in schools to link social service agencies with the classrooms so that daily crises arising from poverty, homelessness and other impediments to a student's success could be immediately addressed. "The bank chose to channel our request for funding to the **Bank of America Foundation**. It responded to our appeal and readily agreed to fund the Social Services Connection element of our "Every Child" program with a commitment of \$135,000." In making the grant, **Jennifer Thomas**, President, Bank of America—New Mexico said, "The children of New Mexico are the real winners of this program, and we are proud to be involved."

Relationships are a critical factor

In Davenport, Iowa **Dan Huber**, CEO of DavenportOne, gleaned over \$600,000 from two foundations to add to the total \$3.7 million needed for a special four-year strategic initiative. The initiative was launched after the merger of the Chamber and other community agencies and surpassed its fundraising goal with \$4.1 million raised for a variety of community improvement programs. Several foundations played important roles in generating the funds. **Glen Easter**, the NCDS professional fundraising executive assigned to the DavenportOne program believes this situation typifies many of the critical elements of successfully acquiring foundation support. "We start the appeal with the closest contacts like board members and officers of the organization. We like to first go to a prospect corporation with our request. They might refer us on to their foundation if they choose, but we start with the good relationships we already have in place," comments Easter.

"It was common sense to recognize the potential resources we had right in our own back yard," says Huber. "Good local corporate citizens like **Deere & Company** are obvious sources of financial support, but we still had to demonstrate a viable need to attract their dollars. Consolidating the Chamber and other agencies for more effective community action helped get their attention. It was also a definite plus that executives of Deere served on our board and were enlisted to serve in the fundraising campaign's leadership structure." Easter lifted up elements of Huber's broad-gauge community improvement plan that fit with the **Deere Foundation's** objectives, then asked for inside coaching and support from the Deere executives on how best to make the ask. "It wasn't fancy and maybe it wasn't exactly the way others would go about it, but we received a grant for \$200,000 to help implement the DavenportOne program," he says. Easter believes it is exactly what other Chambers should do.

“We solicited another Davenport area foundation, the **Bechtel Trust**, for \$500,000 and received a \$400,000 grant,” says Huber who, once again, credits the assistance of a DavenportOne board member who is also the trustee of the foundation.

The money is there. Go for it.

According to NCDS’ grants and foundation advisor, money is available. “These examples are typical of what should be a growing trend that enables Chambers to receive a more generous share of the estimated \$27 billion available from US charitable foundations,” says **Don Etheridge**, an attorney and foundation specialist with the law firm of **Womble Carlyle Sandridge & Rice, PLLC**. Etheridge works with NCDS clients and spoke recently at an ACCE sponsored fundraising workshop, urging attendees to get more aggressive in making foundation funding a part of their revenue strategies. “The money is there and foundations are legally bound to give at least 5% of their corpus annually. Many Chamber programs at least partially mirror the purposes those foundations want to pursue, so it behooves Chambers to make grant proposals,” he advises. Etheridge and his partner, **Ran Bell**, frequently provide assistance to Chambers on establishing foundations. “Many Chambers already have a foundation, so in many cases it’s often a matter of helping a Chamber jump start and broaden the use of their dormant 501(c)3,” asserts Bell.

Frank J. Wideman, III, President of the Greenwood, South Carolina based **Self Family Foundation** shares Etheridge’s view. “If the entity making a funding request from our foundation is a 501(c)(3) as legally required, then it becomes a case of the proposal being in line with our purposes. Here in Greenwood, the Chamber is implementing workforce enhancement and neighborhood development as part of a broader community initiative. That work fits with the Self Family Foundation’s aims, but the foundation would not fund regular Chamber activities, only those special programs that meet our guidelines and charitable purposes.”

Get help if you need it

According to **Kristina Carlson**, CFRE, President of **FundraisingINFO.com**, a subscription based resource for non-profits, “There are nearly 6 million foundations in America, representing a vast philanthropic pool in which to fish. Don’t let the complex legal issues surrounding foundation funding stop your Chamber from making grant requests. Get help to make your organization donor-ready, then learn how to make well-conceived appeals to good foundation prospects. Their largess is going to those entities who take the initiative, do their homework and do a good job of asking for the money.”

What basic advice do these and other experts offer Chambers wishing to pursue foundation funding? First, make certain your Chamber has a sound and separate legal structure with a 501(c)(3) designation. Then, do the research to locate likely foundations, companies, or individuals with purposes that fit the programs needing funds. Make certain that these activities are separate from regular Chamber operations. Find allies and advocates on your board or within the Chamber’s circle of influence with ties to the prospective donor. Craft a compelling proposal that aligns with the

foundation's stated purposes. Then, as Raymond Burns advises, "The foundation's funding cycle may not match your own funding timeline, so be prepared to wait. Remember, a little patience and a modicum of faith can yield impressive results."

Four Steps to Foolproof Foundation Funding

1. Do the research to assure a good fit between your cause and the foundation.
2. Find a volunteer with a contact at the foundation. Relationships count!
3. Set up a personal meeting, plan and script the meeting and make sure volunteers are involved, especially those with a relationship with the foundation.
4. Make a persuasive ask for the right amount, and make sure the grant request form meets all the foundation's guidelines.

Top 5 Mistakes in Soliciting Foundations

1. Sending generic proposals with boilerplate language.
2. Not meeting in person first to establish a relationship and/or not utilizing local contacts to help move the request "upstream."
3. Inappropriate requests that are geographically unrealistic and don't match the foundation's guidelines.
4. Ignoring application processes and special requirements of the foundation.
5. Failure to understand that it is a competitive process.

While no "silver bullet" exists to guarantee a win on every request, the tips listed here are proven to work. What is needed now are Chambers with the bold attitude to launch programs that challenge foundations to step in with some of their millions.

More than a few Chamber executives agree that Chambers need a new and more diverse income structure that goes beyond selling memberships and hustling sponsorships, despite the value they represent. Even ACCE has shown that tapping foundations is a winning strategy. ACCE's recent "*Energizing Our Chamber World*" campaign, managed by NCDS, garnered a \$300,000 Wal-Mart Foundation grant for elements lifted out of the broader program. If ACCE's example, accompanied by a growing number of others is not sufficient evidence, take a look at the NCDS web site listings of significant foundation grants secured for its clients. Big money has a way of convincing even the most skeptical executive, so take a peek and, perhaps, gain a bit of inspiration for your own funding efforts.