Grant Competition: Too Soon or Too Late?

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As they say, TIMING IS EVERYTHING.

I would never go as far as to suggest that you not pursue grant funding as a brand new organization or that an agency in fiscal trouble is necessarily doomed in grants competition. But there is a window involved where you are apt to have more promising outcomes. That window is somewhere in the middle.

This generally does come down to track record. If you are new, you have no such record. This goes against you. Same applies to organizations that wait until their circumstances are so bad that most funders will not feel they are worth the philanthropic investment. If you are one of these struggling non-profits, the argument that you need grant support to keep your doors open is usually a poor one. (Grants are generally awarded for organizational/program STRENGTHS.) This is especially true if you state that agency closure is likely to occur in 6-12 months without grant assistance, which was the case with a few of my former clients. At this point, you would be better off requesting capacity building funding to try to improve operations and fiscal health rather than asking to maintain a failing program at status quo. Still, for some organizations…it really may be too late unless they can revamp their sustainability structures to have a fighting chance of staying in operation. This means that grants alone are not the solution.

I always say to my customers that funding is a by-product of program excellence. Since new non-profits have no history of service yet—or limited ones—and troubled agencies face some reputation issues, I urge everyone to focus on building the strongest program possible. You cannot do anything about the fact you are in your infancy stages. And, if you are an established organization in crisis, chances are that did not happen overnight.

As a consultant, I am often asked by new non-profit leaders if they can get grant money to start-up their program. Probably not. In fact, just last week, one gentleman asked me if a grant could pay for the 501(c)(3) application filing costs. Definitely not. For starters, you need your formal 501(c)(3) non-profit status in order to qualify for most grants. Secondly, if you cannot even raise this much money, funders will not support you. So, you have to start with grassroots fundraising. Success begets success. And grantmakers are looking to see that you have already secured support from others. Yes, it is a Catch-22.

In terms of more established agencies going through a rough patch, everyone is. To some degree, you can explain your fiscal woes on account of the economy. But, you can only do this if you are

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otherwise doing everything “right” in your pursuit of diverse funding streams. While it may not be unusual to be struggling right now, a situation where you might need to consider closing-up shop is entirely different.

I know that non-profits have limited resources to contract with a consultant. Yet, organizational leaders need to ask if they can afford NOT to. Ordinarily, waiting only makes it worse if your agency is already heading toward a compromised path. Your reputation is so critical to your future success that you cannot allow this to happen.

For new non-profits, programming and organizational structures need to not only be sound... but innovative and better than your funding competition. If you cannot develop these components yourself, you need to find someone to help. It is the only way you will be able to command the attention and support of grantmakers as a new entity.

If you have no track record, build one. If your track record is damaged, repair it. It takes work to do either. But your grant funding outcomes will directly correlate to this investment on your part—in time, effort, and money.

I have faith in you. Don’t give up.

About The Author: Mary E. Costello earned her BA degree in Social Work from The Catholic University of America. A former Social Work Administrator, she started Creative Edge Consulting in February of 2005—providing a full array of consulting services for non-profit organizations across the United States. She specializes in organizational start-ups, as well as the restructuring, improvement, sustainability, and expansion of more established agencies. Inquiries regarding her “one-stop-shop” services may be directed to MaryCostello@CreativeEdgeConsulting.org.