THE SOLICITATION PROCESS: APPROACHING FOUNDATIONS AND CORPORATIONS

Many nonprofit organizations are accustomed to seeking funds from public-sector agencies, typically through some sort of competitive process. Employment and training, education, health including HIV/AIDS, and other categories of services have specific federal categorical funding sources which typically provide much of their operating funds. They often apply for other federal funding for specific activities, or seek federal funding for specific types of services -- such as services for the elderly or disabled -- through cities, counties, or intermediary bodies. An increasing number of private-sector funding entities use similar funding competitions, but many corporations and foundations do not use an outreach process or any other means of soliciting proposals. Instead, they decide what programs and organizations will receive funding based on a review of the proposals they receive and the organizations that contact them.

If your organization wishes to seek private-sector funding, you will need to initiate the process. If you do not have experience in seeking funds from foundations and corporations, the following steps -- along with other materials provided in this reference package -- will provide a logical process for initiating that effort. Modify the process to fit your agency's strengths and needs.

1. **Identify "prospects" for funding.** Categorize potential funders as best/moderate/long-shot possibilities for funding, and see how you can move prospective funders into more likely categories though personal contacts or special appeals. Try to figure out what corporations and foundations are your most promising "prospects" because of their location, interests, and perhaps their past support or their personal knowledge of your organization. Consider the kinds of corporations you are most likely to interest, based on your location, target population, and service mix. To do this, consult with Board members, staff, other nonprofit organization leaders, public officials, community activists, etc. Hold a meeting with a mix of individuals knowledgeable about potential funding sources ("prospects") and ask them to help identify local and regional prospects and categorize them based on how likely they are to be interested in your organization.

2. **Get more information about your prospects.** You need to know whether they have given money for activities similar to the project you have in mind, and you want to know as much as possible about their funding priorities, guidelines, and grant history.

    a. **Use written materials.** Start with one of the guides to foundations or corporations, such as the Foundation Center or Taft Corporation directories. (In addition to the general guides, there are special guides for some topics, including religious philanthropy, family services, etc.). Once you have a list of potential funders, obtain annual reports, corporate newsletters, foundation guidelines, and other materials so you understand more about their funding practices and guidelines.

b. **Obtain information verbally** from your board members and other friends with contacts in the corporate and foundation community. One good approach is to have a special "prospects screening meeting" where you discuss possible funders and see who has appropriate information. Keep all information confidential.

3. **Prepare a "prospect sheet" on each potential donor,** with information about the entity and about individual contacts. This goes into your file for that potential funder, along with correspondence, etc. Be sure to include the following questions:

   a. **How much is the prospect able and likely to give?**

   b. **Who else does the prospect support, and what are its past giving patterns?** What kinds of grants have been provided for similar types of activities such as community-based employment, education, health, or housing services, and to what groups?

   c. **What programs or causes seem to interest the prospect or your contacts there?** If there is interest in a particular topic, what aspects and why?

   d. **How can your organization show a relationship to the prospect's interest?** What can it do that would be mutually attractive and beneficial? (Consider initial efforts other than simply contributions, such as in-kind help like equipment or printing.)

   e. **What should be the method, timing, and focus of the request?** How much should be requested, for what purpose, by whom, and when? Are special efforts needed to interest or involve the prospect in your organization's work?

   f. **How can you begin to develop a relationship with this prospect?** Particularly if this is a local funder, does it appear that staff will meet with an organization that has not yet submitted a proposal? Do you have contacts who can help arrange a meeting?

4. **Decide which potential funders to approach.** For each, determine how much money will be requested and for what specific purpose. If the funding source is open to meeting with organizations prior to receiving a proposal, decide on a strategy, and agree on who will make the contact and the visit.

5. **Prepare all necessary written materials,** including a full proposal or letter proposal -- perhaps both general support and project proposals -- and supporting information, as well as capability information that you can use in making “relationship-building” visits. Materials should be prepared before contacts are made, in case the funder expresses interest and has an immediate deadline.

6. **Identify prospects that will receive a personal visit, and those that will receive a proposal.** Some funders will not meet with you until they have received a proposal, or

will contact YOU if they want to meet once the proposal has been received. Some like an initial letter proposal or letter of inquiry. Others can be approached through a letter requesting a meeting, and you should try to meet with them before submitting a proposal, to introduce your organization, learn more about their interests, and begin to develop a direct relationship. (See “Hints for Developing Funder Relationships.”) Your research should tell you which prospects fit into each category.

7. **Submit written materials to potential funders you cannot visit -- and follow up promptly.**

   a. **Keep a resource development log of all materials sent.** Indicate what was sent, to what contact person and address, date sent, how much money was requested, and for what purpose.

   b. **Follow up.** Usually, it is helpful to follow-up by telephone within one month -- unless funder guidelines indicate otherwise. Check to see that your materials arrived and whether additional information would be helpful. Take the opportunity to provide some additional information about your program, such as recent accomplishments, partial funding raised that will be used along with what has been requested from this funder, etc

8. **Prepare for, make, and follow up on relationship-building and solicitation visits.**

   a. **Categorize visits.** Which will be solicitation visits, at which a proposal that has already been sent will be discussed and a specific request made or repeated? Which will be relationship-building visits at which capability information or concept papers -- but not a proposal -- will be provided, as a first step in seeking funds?

   b. **Assign teams to make these visits,** generally including one staff person and one board member. Send out a letter requesting the meeting, and follow up by telephone within about two weeks. If you have a contact who can help you "get in the door," be sure to mention that person in the letter you send, and if possible have the person make a phone call or write a note on your behalf, timed to get to the prospect just before your letter requesting a meeting.

   c. **Prepare your teams for their solicitation visits.** Have them review the prospect information, but do NOT let it leave the office unless copies are made; protect confidential information. Be sure a dollar amount for the request is agreed upon, if no proposal has been sent but this is a solicitation visit. Be sure solicitors understand that they must DIRECTLY ASK for the amount specified. Be sure they have a brief agency summary, and other written materials appropriate for the entity being solicited. Remember that you are not a supplicant; you are offering funders the opportunity to become partners in activities which benefit the community. Ideally, hold a three-hour training session, and role play a solicitation visit with the team making its presentation and someone else playing the prospect.

Identify and discuss typical questions from potential donors, with effective answers. Reassure volunteers that rejection has no permanent ill-effects, and that unless they risk it, there will be no acceptances and successes either. (Susan Scribner of the Grantsmanship Center used to stress that the main reason people and corporations do not give is that they are not asked!)

d. **Carry out solicitation visits.** Visits should follow any guidelines developed by your organization's fundraising committee. Where board members or volunteers have personal contacts, they should make visits to those funders. If the visit involves a request for support of a particular project, the staff person most knowledgeable about that project, or the Executive Director, should accompany the Board member to present the project. If a prospect indicates that further consideration is required before a decision on giving can be made, the solicitor should offer to meet with other individuals who must be consulted. Ask for a specific amount, and indicate when a call-back will occur to determine whether a decision has been made. If a proposal has not been submitted, provide one at the meeting or agree to send it within a specified (brief) period.

e. **Carry out relationship-building visits.** Use them to talk about the organization, learn more about the funding source, and begin to develop mutual respect and trust. Learn about the funder's interests, and perhaps suggest several priority activities and get a sense of which might be of most interest. Identify other types of written information the funder may want to receive prior to or along with a proposal. Try to gain enough information to know what kind of proposal the organization should submit, when, and for what amount of money.

f. **Develop a brief visit report.** The report should be completed by the team who made the visit, or you can have staff interview each volunteer within 24 hours after the meeting with the prospect to find out how the meeting went, whether a commitment was made or a proposal or other information should be submitted, and what follow-up is required. Record this information in the prospect's file.

g. **Do follow-up immediately**, especially where the prospect indicated that a decision requires either more information or consultation with other people. Follow-up visits, sending of information, and arrangements to provide any supporting documentation or phone calls (e.g., calls of support from people who know the contact) should be done quickly. A thank you letter should go to all prospects within a few days after the meeting. Develop a standard format, and ask the solicitation team to modify it as needed for each prospect. Continue to monitor the prospect until a decision is made. Be SURE to provide a prompt thank you if a contribution is received.

9. **Record results of the solicitation effort** in your prospect files, and on your cumulative logs of requests and gifts. Whether information is obtained through visits or through telephone calls or letters from funders, keep track of the responses. An initial "no" can be encouraging or discouraging in the long run. You may be encouraged to come back next

year or ask for some other kind of funding. This information should become a part of the organization's records.

10. **Continue follow-up reporting and personal contacts with those who might give in the future.** Send progress reports and accomplishment information to all givers and prospects at least twice a year. If you have a newsletter, add them to the mailing list. Invite them to your organization's public functions. Call upon them for special help with receptions and other special events. Pay follow-up visits for renewal grants and for second requests to prospects which did not give the year before. Try to be sure that there is a volunteer or staff member assigned on a continuing basis to each giver and major prospect, for periodic contacts.