


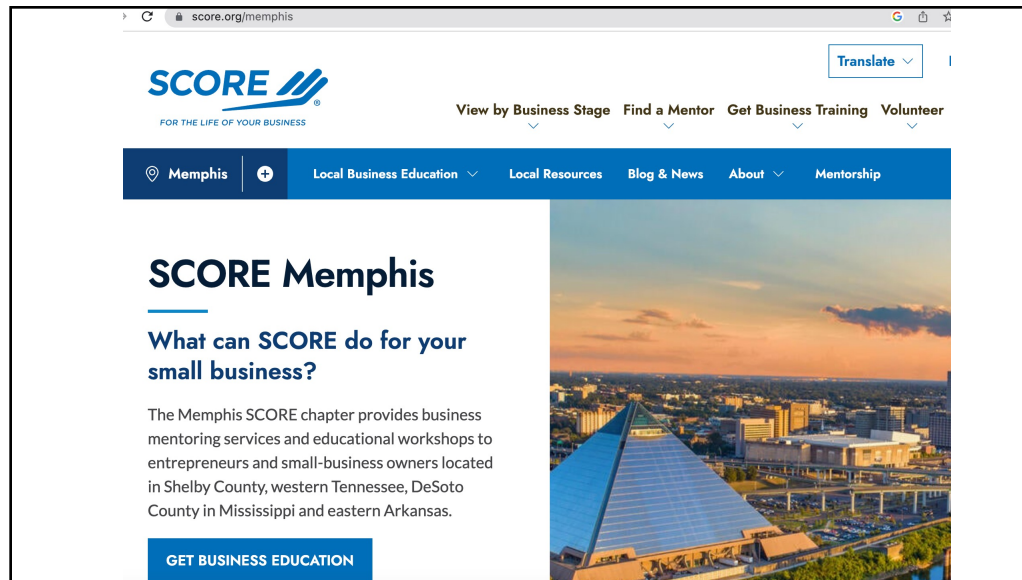
21 Ways to Fund a Nonprofit

Presented by Cheryl Smith, CEO
Dewlyn Nonprofit Services

score.org



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score.org/memphis

Translate

View by Business Stage Find a Mentor Get Business Training Volunteer

Memphis Local Business Education Local Resources Blog & News About Mentorship

SCORE Memphis

What can SCORE do for your small business?

The Memphis SCORE chapter provides business mentoring services and educational workshops to entrepreneurs and small-business owners located in Shelby County, western Tennessee, DeSoto County in Mississippi and eastern Arkansas.


GET BUSINESS EDUCATION

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21 Ways To
Fund A
Nonprofit



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Presented by Cheryl Smith



Dewlyn.com

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Training Based on...

“21 Ways to Fund a Nonprofit: The Essential Resource Guide for Funding Charitable Programs”

21 WAYS TO FUND A NONPROFIT

The Essential Resource Guide for Funding Charitable Programs

Cheryl Smith

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Charitable Giving

Americans give **BILLIONS** of **dollars** to charities every year.

In 2021, Americans gave over \$484 Billion to charity.

= Over \$1 Billion given **every** day.



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Your
Possibilities
Are Endless



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Your Nonprofit is a Business.



Nonprofits face many of the **same financial dilemmas** as their for-profit counterparts -- need for cash-flow to start, sustain, and expand operations.

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Learning Objectives

After today's discussion, you'll be able to:

1. Describe 21 methods for funding charitable programs.
2. Use this high-level overview to determine if a method is worth exploring.
3. Understand where to go for more information on any method described



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21 Ways to Fund a Nonprofit



1. Founder and Board
2. Bartering for Services
3. Individual Donations
4. Giving by Bequest
5. Corporate Giving
6. Fundraising
7. Investor-Based Crowdfunding
8. Donation-Based Crowdfunding
9. Social Enterprise
10. Membership Fees
11. Mandatory Fees
12. Commercial Loans
13. SBA Loans
14. CDFI
15. Federal Grants
16. State Grants
17. Local Grants
18. Government Contracts
19. Private Foundations
20. Community Foundations
21. Fiscal Sponsorship

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Method 1 Founder and Board Funding

1. Common practice
2. Share the load
3. No commingling

Explore this topic further:
www.CouncilofNonprofit.org



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Method 2 Bartering

1. Trading Goods & Services
2. Barter exchange company
3. Join/Fees

Explore this topic further: IRTA.com



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Method 3 Individual Donations

1. Voluntary giving
2. Volunteerism
3. Requested (Pay-As-You-Can)

Explore this topic further:

- <https://www.irs.gov/charities-non-profits/charitable-contributions>
- <https://www.philanthropy.com/article/how-to-jump-start-individual-giving>



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Method 4 Giving by Bequest

1. Legacy Giving
2. Add the nonprofit to the will
3. Website page



Explore this topic further:

- <https://www.fidelitycharitable.org/guidance/philanthropy/what-are-bequests.html>



Individuals Wanted Dead or Alive!

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Method 5 Corporate Giving

Why companies give

1. Image
2. Responsibility
3. Write off

Ways companies give

1. Employee volunteers
2. Employee annual giving & match
3. Sponsorship, donations, grants



Explore this topic further:

- <https://doublethedonation.com/corporate-giving-programs>

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Method 6 Fundraising

- Relationships & Gratitude
- Hybrid Events
- Traditional Fundraising
- Peer to Peer Fundraising
- **ROI = \$, \$\$, or \$\$\$**
 - = return on investment
 - Never plan to break even
 - Always plan for 50%-80% gains

Explore this topic further:

- <https://www.classy.org/blog/our-resources>



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Fundraising Ideas

- | | | |
|--|--|--|
| <ul style="list-style-type: none"> • Sponsor a child/family • Auction a date • Silent auction • Singles night out • Movie night • Casino/poker night • Game night • Talent Show • Carnival • Treasure hunt • Pamper yourself festival • Open house tour of charity | <ul style="list-style-type: none"> • Fashion show • Costume party • Photo exhibition • Craft/antique show • Community hair cuts • Neighborhood block party • Community garage sale • Car wash • Dog wash • 5K race • Golf tournament • Slam dunk competition | <ul style="list-style-type: none"> • Polar bear plunge • Bowl-a-thon • Dunk tank • Skating event • Workout-class "Zumba-Thon" • Guided hike • Plant a community garden • Chili cook-off • Bake sale • Food truck expo • Winery tour • Cooking class • Raffle • Website donation button |
|--|--|--|

Learn more at: [Classy.org](https://www.classy.org)

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Method 7 Investor-Based Crowdfunding

1. Equity-based
2. Debt-based Loan
3. KIVA.org

Explore this topic further:

- <https://www.nerdwallet.com/article/small-business/equity-crowdfunding>



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Method 8 Donation-Based Crowdfunding

Traditional Crowdfunding:

1. Marketing
 2. Donor Communication
 3. Driving Traffic
- No repayment
 - Small platform fee 3% - 5%

Explore this topic further:

- <https://www.councilofnonprofits.org/tools-resources/crowdfunding-nonprofits>



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Method 7 and 8

In order to Crowdfund:

1. Idea (giving campaign)
2. Platform
3. The “crowd” of funders! ☺



Explore fundraising, peer to peer fundraising and crowdfunding further:

- <https://www.onecause.com/blog/crowdfunding-vs-p2p-fundraising/>

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Donation-Based Crowdfunding Platforms

Bonfire.org	Razzoo.com	DonorsChoose.org	GiveCampus.com	Mightycause.com	StartSomeGood.com
Crowdrise.com	Givebutter.com	Experiment.com	GiveForward.com	RallyMe.com	WeMakeIt.com
DepositaGift.com	Charidy.com	Fundly.com	GoFundMe.com	RocketHub.com	YouCaring.com
DoJiggy.com	Mightycause.com	FundRazr.com	Indiegogo.com	Snap-Raise.com	Chuffed.org

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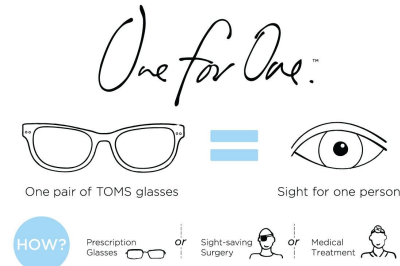
Method 9 Social Enterprise

A business whose primary reason for being is to improve social objectives and serve the common good.

1. Commercial Business Model
2. Social Objectives
3. Portion of revenue used for social good

Explore this topic further:

- <https://nonprofitlawblog.com/nonprofit-social-enterprises-unrelated-business-income-tax>



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Method 10 Membership Fees

- Unrestricted income
- Not tax deductible for members
- Member-maintenance required



Explore this topic further:

- <https://www.irs.gov/pub/irs-tege/eotopic95.pdf>
- <https://www.nolo.com/legal-encyclopedia/is-your-nonprofit-giving-away-things-it-should-charge-for.html>



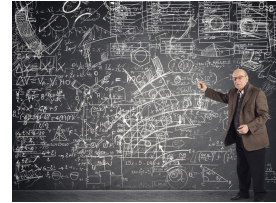
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Method 11 Mandatory Fees

1. Unrestricted income to further mission.
2. Taxed on unrelated business income.
3. Tax deductibility not based on 501(c)(3) status.

Explore this topic further:

- <https://www.irs.gov/charities-non-profits/unrelated-business-income-defined>
- <https://www.nonprofitaccountingbasics.org/federal-tax-issues/tax-consequences-fee-service-part-1-2-exempt-purpose-test>
- https://lawyersalliance.org/userFiles/uploads/legal_alerts/Charging_Fees_Legal_Alert_8-21-17_FINAL.pdf



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Considerations:

- Typically issued by banks
- Used for business financing of land, building, equipment, operations, etc.
- Must qualify
- Personal guarantee or collateral



Method 12 Commercial Loans



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Method 13 SBA Micro Loans

- Nonprofit community-based lenders
- Small loans up to \$50,000
- **Nonprofit lending?**
 - Traditionally, only nonprofit childcare centers could qualify. *Excluding pandemic stimulus loans.



Learn More: <https://www.sba.gov>

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Method 14 CDFIs

- Community Development Financial Institution (CDFI)
- Mission driven investments
- Over 10,000 businesses financed annually



Learn More: <https://www.cdfifund.gov>

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Method 15 Federal Grants

- Funding for state and local governments
- Discretionary grants to nonprofits
- Cost-reimbursement
- Matches
- 26 grant-making agencies



Learn more: <https://www.grants.gov>

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26 Federal Grant-Making Agencies

U.S. Agency for International Development	U.S. Department of Health and Human Services	U.S. Department of Treasury	National Endowment for the Humanities
Corporation for National and Community Service	U.S. Department of Homeland Security	U.S. Department of Veteran Affairs	National Science Foundation
U.S. Department of Agriculture	U.S. Department of Housing and Urban Development	Environmental Protection Agency	Small Business Administration
U.S. Department of Commerce	U.S. Department of the Interior	Institute of Museum and Library Services	Social Security Administration
U.S. Department of Defense	U.S. Department of Justice	National Aeronautics and Space Administration	U.S. Department of State
U.S. Department of Education	U.S. Department of Labor	National Archives and Records Administration	
U.S. Department of Energy	U.S. Department of Transportation	National Endowment for the Arts	

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20 Federal Grant-Making Categories			
Agriculture	Disaster Prevention and Relief	Food and Nutrition	Law, Justice, and Legal Services
Arts	Education Regional Development	Health	Natural Resources
Business and Commerce	Employment, Labor, and Training	Housing	Science and Technology
Community Development	Energy	Humanities	Social Services and Income Security
Consumer Protection	Environmental Quality	Information and Statistics	Transportation

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Getting ready for federal grants

Considerations

- SAM.gov
- Grants.gov
- Federal Service Desk (fsd.gov)



Learn More: <https://sam.gov>

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Method 16 State Grants

Considerations:

- Can be a challenge to find
- Less competitive than federal grants
- State Spending: about \$2Trillion
- State spending priorities



Explore this topic further:

- Visit your state government website. Example: <https://www.tn.gov> and search for "Funding Opportunities"

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Method 17 Local Grants

Who are they?

- 38,266 Special Districts
- 19,519 Cities
- 16,360 Townships
- 12,880 Independent School Districts
- 3,031 Counties
- 2,090 Public Higher Ed Institutions



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Method 18 Government Contracts



- Federal, state, and Local levels.
- Billions of \$\$ in goods and services contracted each year.
- **Challenge:** Must have thorough knowledge of procurement systems to compete.
- Cost reimbursement.

Learn More: <https://www.usa.gov/become-government-contractor>
 Learn More: <https://sam.gov/content/opportunities>
 Learn More: <https://vsc.gsa.gov/vsc/>

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Method 19 Private Foundations

- Required giving to public causes.
- Cause oriented
- Unsolicited Grant Request
- Research: Websites and GuideStar.org.



Learn More: <https://www.irs.gov>

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Private Foundations

A.O. Smith Foundation	Duke Energy Foundation	Frueaff Foundation	Charles Koch Foundation	Marcus Foundation	Rasmuson Foundation	Walton Family Foundation
Aegon Transamerica Foundation	Eaton Charitable Fund	GSF Foundation	Kohler Foundation	Margoese Foundation	Robert Wood Johnson Foundation	Wells Fargo Foundation
Anthem Foundation	Enterprise Holdings Foundation	Gupta Foundation	Kresge Foundation	Max and Victoria Dreyfus Foundation	Russell Sage Foundation	WestRock Foundation
Baxter Foundation	Ewing Marion Kauffman Foundation	Houston Endowment	Lawrence Foundation	Michael and Susan Dell Foundation	Sara Giles More Foundation	Weyerhaeuser Foundation
Bill and Melinda Gates Foundation	F.M. Kirby Foundation	Jesse Parker Williams Foundation	LG&E and KU Foundation	Omron Foundation	Timken Foundation of Canton	Whitehead Foundation
James M. Cox Foundation	First Nonprofit Foundation	W. Kellogg Foundation	Lilly Endowment	Progressive Foundry Foundation	Voya Foundation	Zimmerman Family Foundation

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Method 20 Community Foundations

- 501(c)(3) public charity.
- Defined local geographic area.
- Uses grants, public support and endowments to support nonprofits.



Learn More: : <https://www.cof.org>

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Method 21 Fiscal Sponsorship



Learn more: <https://fiscalsponsordirectory.org>

What you should know

- Tax-exempt sponsor
- Must be mission aligned
- The sponsor has control over the funds

What you should review

- Sponsorship Models
- Fiscal Sponsorship: 6 Ways to Do It Right by Gregory L. Colvin

What you should consider

- Fees to join
- Fees on money received

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Awesome Grant Databases

Grantmakers.io

- Free access to thousands of grant-making funders. Visit: <https://www.grantmakers.io>

Foundationcenter.org

- Free access to Foundation Center database and resources at a location near you at no cost. Visit: <http://https://fconline.foundationcenter.org>

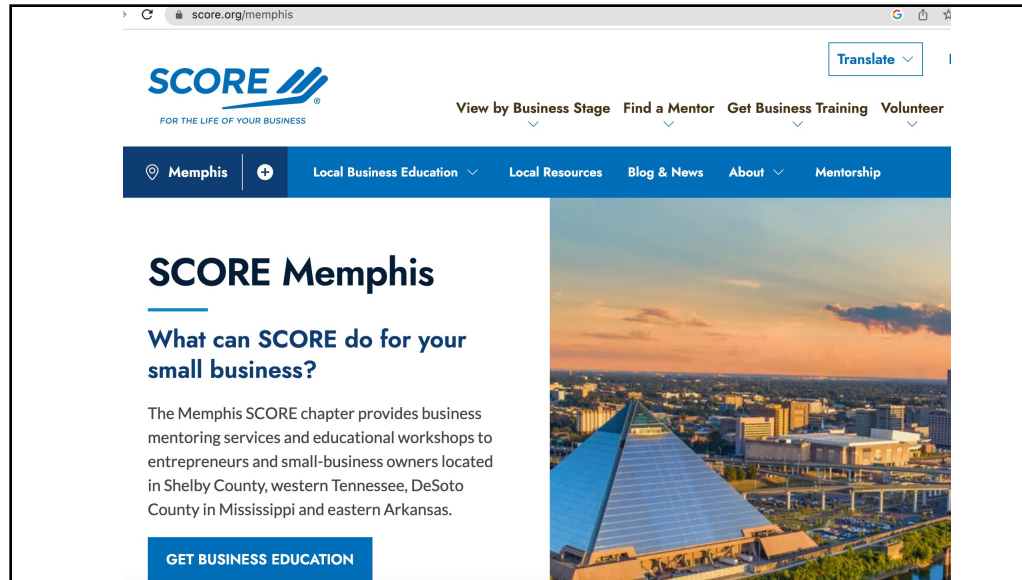
GrantGopher.com

- Free Search Available: Yes. Visit: <https://grantgopher.com>

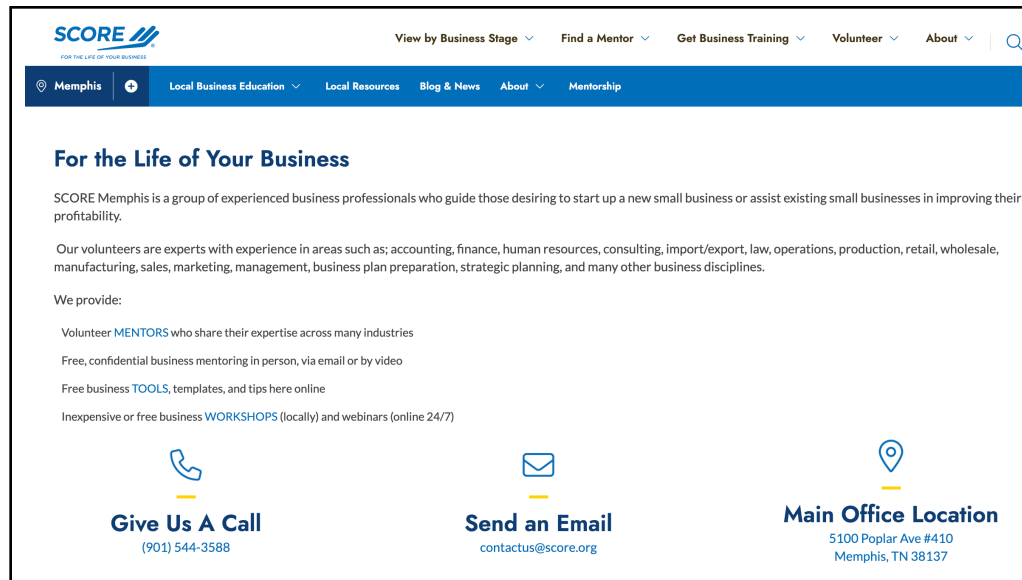
Instrumentl

- Free Search Available: Yes. Limited search at: <https://www.instrumentl.com/browse-grants>

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Cheryl Smith, CEO
Dewlyn Nonprofit Services
National Nonprofit Trainer & Coach

Our Services

1. Establish nonprofit organizations
2. Grant proposal-writing
3. Professional mentoring
4. Group coaching and training
5. Nonprofit grant lists
6. IRS-990-N filing

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