

Funding!?!?!?

<https://www.gofundme.com/c/blog/nonprofit-funding-sources>

How are nonprofits funded? Grants, sponsorships, and more

If your organization is in search of different nonprofit revenue streams, there are plenty of options. While it may be easier for larger nonprofits to secure grants and sponsorships, there are alternative revenue sources for nonprofits that are smaller or just starting out. Below, we cover options for nonprofits of all sizes.

1. Grants from local, state, and federal governments

Cities, counties, states, and the federal government issue grants to nonprofit organizations that can often transform their yearly budget. Applying for these grants can be time consuming with no guaranteed approval, but there are key benefits if your nonprofit does earn a grant.

Biggest benefits of government grants

- Grants from a government agency can give a charity more credibility, which is helpful in securing more nonprofit funding from other sources.
- Government grants are usually made in significant amounts that can make a real difference to a nonprofit's bottom line.
- Government grants require no repayment as long as funds are spent as outlined.

Biggest drawbacks of government grants

- Grant writing is complicated and takes a lot of time, patience, and persistence—and the competition can be stiff.
- Government grants often come with conditions and milestones you must meet and report on.
- Grants are meant for specific short-term purposes, not a **permanent nonprofit revenue stream**.

2. Individuals

Individuals gave more than \$319 billion in 2023, according to Giving USA, making them one of the best charity funding sources. For this reason, it's wise to focus on individual donors and make them a central focus of your strategy. There are many ways to raise money for charity through the support of individuals, including social media, peer-to-peer fundraisers, direct mail, advertising, charity events, merchandise, affiliate links, and more.

3. Membership fees

Collecting membership fees from individuals or organizations is another nonprofit revenue source that offers reliable and recurring donations to your cause. In exchange for signing up for a membership, members usually receive specific benefits, like free tickets to your events or special recognition.

Another benefit of a membership program is that it can create a sense of ownership and encourage members to contribute in other ways.

4. Charity crowdfunding

Crowdfunding has become one of the most popular alternative revenue sources for nonprofits and one of the best ways to reach supporters from across the globe. It can easily dovetail with your social media campaigns and simplify online giving for your donors.

Crowdfunding platforms make it easy for both individuals and charities to raise funds for specific needs and keep supporters engaged. For example, when you post updates on your fundraising page, supporters can read about how their donations have made a real difference. This type of communication loop can help supporters feel appreciated and even increase donor retention.

See these fundraisers for inspiration:

- The Gentle Barn Nashville
- ACLU – Company Match Dec 2016
- Tiny Housing For Veterans

5. Foundations

The second largest source of funding for charities comes from foundations, which gave over \$105 billion in 2023, according to Giving USA. To receive funds from most foundations, your charity will need to be a registered 501(c)(3) nonprofit. Foundations often focus on giving to:

- People in a particular demographic group or specific geographical area.
- Certain types of nonprofits. A foundation might direct money to nonprofits in areas such as environmental protection or civil liberties.
- Particular types of support, such as funding new projects or research.

Foundation types

- Family foundations are legal entities set up by an individual, family, or another group for a specific purpose, usually philanthropy. The Bill and Melinda Gates Foundation is one example, though most family foundations are small and focused on a single issue or particular location.

- Corporate foundations get grantmaking funds primarily through contributions from a for-profit business. These foundations are often the charity wing of a corporation. Examples include the Walmart Foundation and the Ford Motor Company Fund.
- Community foundations have permanent funds or endowments established by many donors for the long-term benefit of residents in a specific area. Examples of community foundations include The Cleveland Foundation and The New York Community Trust.

How to find and apply for foundation grants

The following sites can help you review any foundation's grants, application materials, and more:

- The Foundation Center's Foundation Directory Online (FDO) Free helps you find a foundation's website, contact info, and application forms.
- GuideStar is a directory of nonprofit organizations, including foundations, in the US.

6. Earned income

Earned income is distinct from other forms of charity funding because it comes from the sale of products or services. Many public charities can receive a large chunk of their revenue by renting out their space, offering classes, or selling a product that's unique to their cause. Your nonprofit might consider whether selling products or services would fit in with your mission.

7. Corporate sponsorships

Corporate social responsibility has become increasingly important to large and small businesses alike. Consumers are trusting socially responsible companies more and rewarding them with their dollars.

How corporate social responsibility can benefit charities

- Some businesses look for nonprofits to partner with and support. They may wish to fund specific initiatives, events, or fundraisers.
- Businesses might offer matching donations as part of your fundraiser.
- Businesses can make in-kind donations in lieu of monetary donations.
- Businesses can provide free publicity to your nonprofit when they announce and promote your partnership, helping boost revenue and awareness.
- Businesses may provide volunteer grant programs that enable employees and others to more easily volunteer for your organization.

8. Planned giving programs

Planned giving is known by many names: bequest giving, gift planning, deferred giving, legacy giving, and estate planning. They all describe the same thing: someone leaving money to charity in their will.

Once your organization becomes well known in your industry, make a pitch to your supporters for planned giving. It could grow to become a significant piece of your fundraising pie.

9. Volunteers

According to the US Census, 23% of US adults volunteered with an organization between 2020 and 2021, contributing an estimated 4.1 billion hours to the public good. The value of all those hours? Approximately \$122.9 billion.

So while volunteers' time isn't technically a revenue stream, your organization might want to view it as one. Boosting the number of hours volunteered to your organization is a valuable win.

The year is 2031 and your agency has had thriving funding for the past 5 years. Tell me a story with as much detail as possible about something great your organization has done with the wonderful funding you've received.

1. How is your organization currently funded?
2. Do you have adequate funding?
3. Do you have thriving funding?
4. What is your current budget?
5. What is your ideal budget?
6. What's the difference between the two?
7. What would you do differently if you had your ideal budget?
8. What funding changes can you make to achieve your ideal budget?
9. What are some funding streams you haven't explored?
10. Why not?
11. Of the ones you haven't explored, what's the one you're most interested in exploring?