Funding Strategies



Tips for getting the resources you need for sustainability.

There are four basic ways you can get the resources you need to do the work of your coalition, now and into the future.

- 1. You can ASK
- 2. You can SHARE
- 3. You can CHARGE
- 4. You can EARN

ASK We do good work; will you invest in us?

- **Grants.** Local, state, federal and community foundation. These come in large and small denominations. They can be restrictive, so do your homework.
- Fundraisers. These should be a standard, but wisely used, tool in your sustainability toolbox. They should be well thought out and should not endanger the relationships that are necessary for the coalition to be successful. In a competitive development landscape, it is not good to be competing with your coalition members for limited resources unless they agree this is good for the entire coalition. Fundraisers are most successful when they meet more than the need of fundraising. For example, an annual celebration, a roll out of a new endeavor could be an opportunity both to highlight a new coalition activity and raise awareness of key issues or concerns while also raising money through a raffle, drawing, or collecting donations.



- Individual Donors. A logical way to solicit donations and discretionary funds, this is done successfully when individual donors commit to multiyear donations, allowing the coalition to plan their donation revenue from year to year.
- Workplace Giving Campaigns. Workplace giving campaigns such as United Way take place in many communities. However, like grants, funds secured in this way can come with many strings attached. It is important to make sure that the giving organization's investment is

significant enough to undertake necessary service and reporting requirements. Additionally, many traditional coalition members rely on United Way for their funding, so make sure to do your homework and clear it with your partners before you make application. Another way of adding resources to the coalition is to advocate for funds for your partners who are current United Way recipients addressing both coalition and service needs. Payroll giving works best when one of the coalition members is a business or the chamber that is willing to undertake this on behalf of the coalition. This can be very time consuming.

Endowed funds / Planned Giving. It takes time to cultivate the necessary relationships for
planned giving, but the time can be worth the effort. Adding endowed funds or planned giving
should be part of a comprehensive strategy undertaken after other sustainability strategies have
been successfully implemented such as long term individual donations, fundraising events etc.
One way of making this work for the coalition is to court community foundations that have
specific funds and work to demonstrate how the coalition meets their funds needs on an
ongoing basis.

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SHARE We have the same needs, can we share?

- Asset sharing. These are items such as income, equipment and space or anything that could
 be classified on a balance sheet as an asset. For example, in a diversion program with four
 components, four agencies could collaborate and each take on one component to share the risk
 of the new program but also in the rewards, participant fees.
- **In-kind contributions.** This is when an individual or an organization gives something they already have such as supplies, materials, and expertise. For example, a coalition is given paper and printing from a local printing company in order to print its newsletter. This is considered in-kind since it was something the donor gave in lieu of cash to the coalition to purchase the item.
- Leverage shared positions. This is different than loaned or in-kind staff time.
 This is when two or more organizations share a staff position. For example, a coalition is need of a public relations position, so is one of their partners.
 Neither the coalition nor the partner have the financial resources make their position attractive. They combine their resources and provide a position that is responsible for work at both the coalition and partner.



CHARGE We provide a good service; will you pay for it?

• **Fee for service.** This is when you charge for a service provided to the community. For example, when a coalition charges for trainings provided in the community.



- Fine / penalty with revenue to prevention. Many branches of government can assess fines or penalties associated with breaking laws and regulations. An example of this is when a judge assesses additional fines to those who are convicted of providing alcohol to minors and those additional fines are dedicated to the coalition or fund to address the issues raised by adults providing alcohol to minors.
- Line item in a budget. This could take the form of a contract for service from the local funding authority for alcohol and drug services derived from federal block grants. Additionally, many localities designate all or a portion of funds received through DUI's and Drug Forfeitures to the prevention of like activities, providing another avenue to become a line item in either a police department's or prosecutor's budget. This could also be contracts for those things that the coalition can provide such as coordination, training etc that is outside or too costly for another CBO/NPO to provide themselves.
- **Membership dues.** This can take the form of "passing the plate" at coalition meetings to establishing expected levels of monetary commitment by board members. This strategy is most successful when it is coupled with value-added services that only the coalition can provide, i.e. policy updates, lobbying efforts, evaluation, research etc.
- Acquire tax revenue. This usually takes an act by a legislative body to make happen, i.e.
 County Commissioners, City Council, or State Government. This strategy is most successful
 when the tax revenue being sought is directly tied to the problem you are trying to address. For
 example, "sin taxes" can provide funding for tobacco prevention or underage drinking
 prevention.



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EARN Run a for-profit enterprise to benefit the nonprofit organization.

Business plan. Inventory the products or services you have, their relative value, and how you intend to market them, to whom, and a timeline for implementation. This is a logical extension of what many coalitions do with the addition of an intentional marketing plan for the items or processes of value that the coalition must "sell" to the community and or its segments.

• Entrepreneurial activity. Examples of this include an ice cream shop that is owned by a job training organization to assist them in meeting their job training initiative but also meets some of their financial needs. Initiatives like these can be difficult undertakings, because many non-profits do not have the necessary experience to run a for profit business. To be successful, they must look outside their organization for this expertise. Additionally, the ongoing operation of a for profit businesses can also distract from the mission and purpose of the non-profit entity. Seek advice and expert guidance before undertaking this type of endeavor.

 Partial ownership of for-profit enterprises. This can be a logical alternative to starting your own business. Develop a relationship with a business that shares the values and mission of what you do. This comes with the inherent risks of starting your own business, but it dilutes those risks a little more through partnering with outside experts in the for-profit enterprise.

Sources:

Community Tool Box-University of Kansas Community Anti-Drug Coalitions of America United Way of America The Foundation Center