

Not-for-Profit Industry

In Grantseeking Your Budget Does Matter

Grantmakers generally like to see capacity, as defined by organizational budget size, organizational age, and scope of services. But there are grantmakers who will fund organizations with smaller budgets, or all-volunteer organizations, or newer organizations, and those three things often go hand in hand.



The State of Grantseeking Survey results in [free reports](#) is both in total and by segments on organizational budget, mission, age, service area, and geographic region. The State of Grantseeking report by annual budget size may well be the most useful because the grantseeking experiences of an all-volunteer organization with a \$50,000 budget are very different from an organization with a \$5 million budget. In addition, with capacity building and fundraising, you can exert a level of control over your budget and data by budget size is of value.

Let's look at some demographics, experiences, funder types, funding frequency, and award sizes when viewed through the lens of organizational budgets (based on results from the Fall 2017 survey, reflecting the data from 4,047 participants). For reference, here is how we defined the various budget ranges and the median budget among the respondents.

Budget Range	Range Name	% of Respondents	Median Budget Amount
Under \$100,000	Small	15%	\$48,000
\$100,000-\$999,999	Medium	32%	\$350,000
\$1 Million-\$9,999,999	Large	29%	\$2,500,000
\$10 Million-\$24,999,999	Very Large	8%	\$15,080,850
\$25 Million and Over	Extra-Large	17%	\$65,000,000

Cole, Newton & Duran's Not-for-Profit Practice

Our nonprofit team has years of experience providing assurance, accounting, and tax services to a variety of organizations. Clients receive up-to-date information on the latest accounting developments and industry regulations.

Cole, Newton & Duran's team of professionals are involved in every stage of our client's engagement to ensure they are receiving high quality, responsive service.

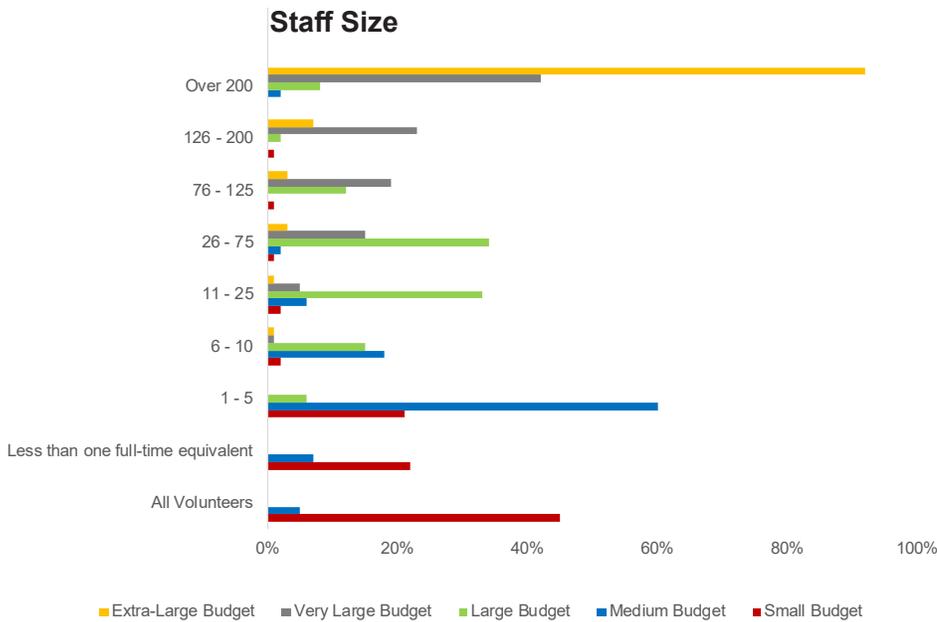
Clients enjoy working with experts who help achieve their objectives. Clients receive industry knowledge and solutions they need to not only reach, but to exceed their strategic goals.

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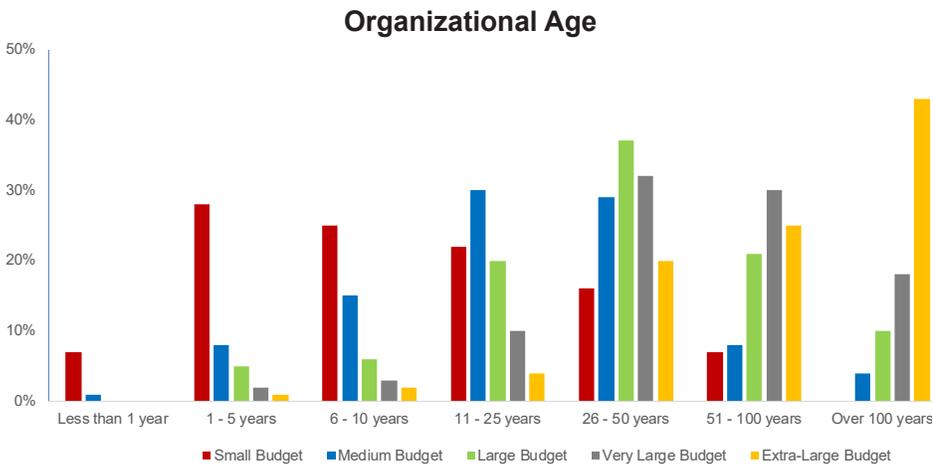
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DEMOGRAPHICS

Budget is the key demographic in the grantseeking experience. Larger annual budgets usually mean older organizations and more staff, and more staff means more time dedicated to grantwriting, which in turn produces more applications, which results in more awards.



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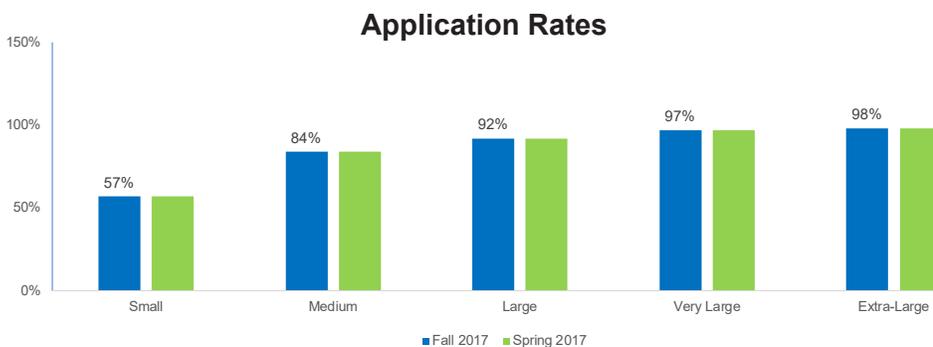
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EXPERIENCES

The experiences of the grantseeker vary by organizational budget, from their level of grantseeking activity to their perception of the greatest challenges to successful grantseeking to their participation in and opinions on collaborative grantseeking.

Activity

Active grantseeking via a strong grant management program takes time and staff to create and grow. Application rates by annual budget size consistently reflect that process, with the understanding that organizations with larger budgets are generally older and employ more staff.



Challenges

Among all respondents, 18 percent reported that grantseeking's greatest challenges stemmed from the lack of time and staff for grantseeking activities, although this response ranged from 10 percent of extra-large organizations to 24 percent of small organizations.

In general, the challenges of competition, reduced funding, and internal organizational issues were reported more frequently as annual budget size increased. These larger-organization issues reflect the challenges involved in supporting and managing greater staff sizes and the programs managed by that staff. A lack of time and/or staff, the need for a grantwriter, and researching and finding grants were more frequently reported as annual budget size decreased. These smaller-organization issues reflect the challenges involved in managing an organization and its programs with smaller staff sizes or volunteer staff.

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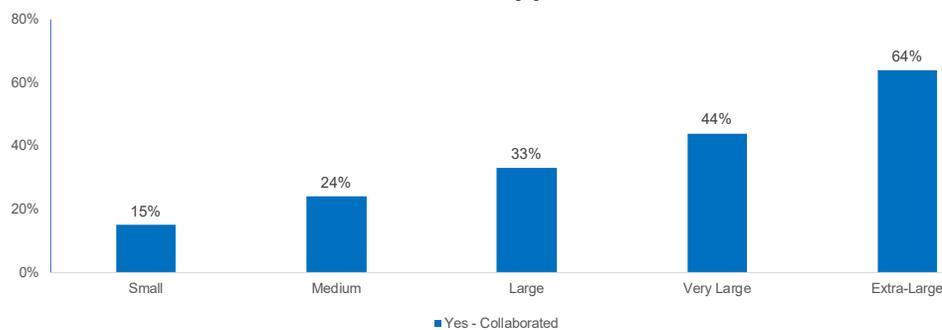
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Grantseeking Challenge	Small Budget	Medium Budget	Large Budget	Very Large Budget	Extra-Large Budget
Competition	8%	13%	18%	20%	23%
Reduced funding	4%	7%	10%	14%	23%
Economic conditions	6%	6%	6%	7%	10%
Funder practices/requirements	9%	12%	15%	14%	4%
Internal organizational issues	2%	3%	5%	10%	9%
Lack of time and/or staff	24%	22%	14%	11%	10%
Need for a grantwriter	15%	6%	4%	1%	3%
Relationship building with funders	3%	8%	11%	8%	6%
Research, finding grants	13%	14%	10%	7%	5%
Writing grants	9%	3%	2%	2%	2%
Other	7%	6%	5%	7%	5%

Collaboration

Annual budget, with the implied increases in staff and infrastructure in tandem with the increases in budget size, had a significant effect on collaborative activities.

Collaborative Applications



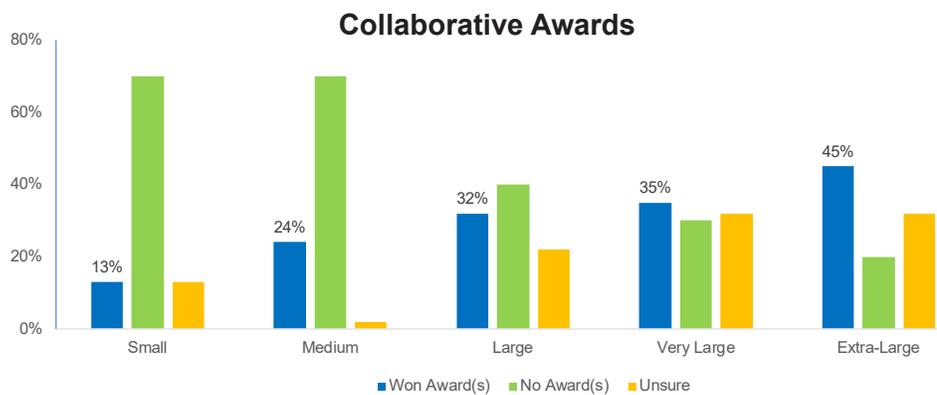
Sixty-four percent of organizations with budgets of \$25 million or more participated in collaborative grantseeking in the first six months of 2017. In comparison, 15 percent to 44 percent of organizations with budgets under \$25 million participated in collaborative grantseeking in the first six months of 2017.

64% percent of organizations with budgets of \$25 million or more participated in grantseeking in the first six months of 2017. In comparison, 15% to 44% of organizations with budgets under \$25 million participated in grantseeking in the first six months of 2017.

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Collaborative award frequency also increased with organizational budget size. Of those organizations that did submit a collaborative application, larger organizations more frequently reported winning an award. The response “unsure” may reflect submitted applications for which award decisions were still pending at the time of the survey.



Survey results show that there are types of funders that are more likely to support an organization based on segmentation by annual budget size.

FUNDER TYPES

Survey results show that there are types of funders that are more likely to support an organization based on segmentation by annual budget size. Knowing what type of grantmaker funds other organizations like yours, and to what levels, can help you in choosing where to devote your energies.

For example, Other Grant Sources, which includes religious organizations, the United Way, donor-advised funds, civic organizations, and tribal funds, are much more likely to support smaller organizations (23 percent) than larger organizations (5 percent to 10 percent). And the federal government is much more likely to support organizations with budgets of \$25 million and higher (87 percent) than small organizations with budgets under \$100,000 (13 percent).

In general, organizations report more funding as they increase in budget size. Private foundations, by far the most reported funding source among all organizations, were still only a source of funding to 53 percent of small organizations, whereas private foundations were a funding source to 90 percent of organizations with budgets between \$10 million to \$24,999,999, and 89 percent of organizations with budgets of \$25 million and higher.

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The chart below will give you an idea of which type of funder to apply to, based on the success rates of other organizations.

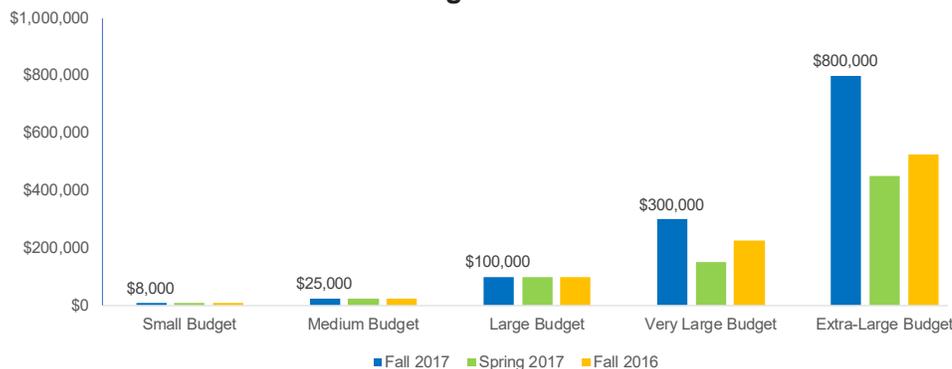
Funding Sources	Small Budget	Medium Budget	Large Budget	Very Large Budget	Extra-Large Budget
Private Foundations	53%	79%	86%	90%	89%
Community Foundations	43%	63%	70%	73%	69%
Corporate Grants	34%	52%	68%	77%	75%
Corporate Gifts	18%	25%	35%	43%	46%
Federal Government	13%	26%	52%	71%	87%
State Government	19%	38%	59%	73%	81%
Local Government	22%	33%	49%	61%	60%
Other Grant Sources	23%	10%	7%	8%	5%

The median size of the largest grant award is a key benchmark to measure organizational grantseeking success.

AWARD SIZES AND SUPPORT TYPES

Now, let's look at the sizes of the median largest award. This will give you an idea of reasonable award goals and help you to manage your stakeholder expectations. The median size of the largest grant award is a key benchmark to measure organizational grantseeking success. Median award size is profoundly impacted by organizational budget size and the implied staff size and scope of service or reach.

Median Largest Award Size



Support types of the largest award also varied by organizational budget size. Of the 24 specific support types, each of those in the chart was selected by at least 4 percent of respondents within one budget range.

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Project or program support was the most frequently reported largest award support type for organizations from all budget ranges, although the rate was lower for small and medium organizations. General support was more frequently reported by small and medium organizations.

Support Type	Small	Medium	Large	Very Large	Extra-Large
Advocacy	6%	2%	2%	0%	0%
Building Funds	3%	3%	3%	6%	4%
Capacity Building	5%	6%	5%	5%	2%
Equipment	2%	2%	3%	4%	2%
Events/Sponsorships	5%	2%	2%	0%	0%
General	23%	23%	19%	9%	6%
Infrastructure	2%	1%	1%	3%	4%
Matching	4%	2%	2%	1%	1%
Mixed	2%	2%	4%	4%	6%
Project/Program	28%	42%	48%	53%	51%

The preceding is an article by Ellen Mowrer, president, of [GrantStation](#), an online funding resource for organizations seeking grants throughout the world.

Contact Us

If you would like to discuss how Cole, Newton & Duran's not-for-profit team can help your organization with your accounting, tax, or consulting needs, please feel free to give me a call.

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