

How To Identify And Approach Grant-givers and Funders (319)

When looking for funding, it is vital that your route is able to find grant-givers or funders who have a focus on tourism, local economic development, enterprise support or a related field that includes the kind of work that the route is wanting to raise funds for. It is also important that you approach them in the right way and are able to present a funding application or proposal that matches their mandate and is convincing in its own right.

This guide will describe the kind of funders you should be looking for and suggest where you can look for the ones that will suit your route or project.

The main message of this guide is that you need to do your research very well so that you target only those who have an interest in your field of work (or perhaps your geographic area); this will ensure that you don't waste time and money chasing potential donors who have no interest in funding you.

It also emphasises that you need to network as much as possible – talking to your contacts about which funders they recommend and also talking directly to those organisations about exactly what they offer and whether your project stands a chance of getting funded by them.

You will also find it useful to read the guide [How To Write A Funding Proposal](#).

Why is identifying the right funder

important?

Every funding agency is guided by certain priorities – for instance, they may fund health or education or HIV/Aids, etc. They also usually have a geographic focus (a certain country, province, region or town), and may even have a gender (such as a dealing only with women's projects) or age focus (wanting to target youth, for instance). Each will have a limit on the size (rand amount) of the grant that they give. These priorities will lead the funder to set certain strict conditions or criteria that you must meet before your project can be considered.

So your research needs to examine all of these aspects, and find funders whose criteria your route will meet. Then you can tailor your application so that it prioritises all the things that the funder wants to know about you.

What is a grant-giver or funder, and how do you find them?

Understanding what a funding agency is and how it does things will help you to succeed with your application. There are generally four kinds of funder:

- Government
- Church
- Private (mainly wealthy family foundations)
- Corporate.

Each has their own style, advantages and disadvantages for the fund-seeker such as your route. The table below summarises the pros and cons of each type.

Type of funder	Advantages	Disadvantages
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Government	Often have a lot of money. May be useful on issues of policy, access, etc. If project fits government strategy, this increases the possibility of meaningful impact.	Process of application is often bureaucratic and takes a long time. Payment is often delayed and there is very little flexibility. Application requirements can be complex.
Churches	Often share the development and ethical agendas of progressive civil society organisations. Usually have quite a lot of flexibility in what and how they fund.	Usually rely on own constituency to raise money, which means that funds may be limited and/or subject to fluctuations. Sometimes get allocations from governments and are subject to changes in government policy.
Family foundations (large)	Have large sums of money to give. Staff is usually professional and understand the issues and civil society concerns. Clear guidelines on what is funded and the process for getting funding usually provided. Willing to share international experience.	Process for application can be lengthy. Requirements for applications can be complex. Priorities may change.

Family foundations (small)	Often form close relationships and have a personal commitment to an organisation. More flexible on format and process. More flexible on what they fund.	Staff is not always as professional as that of bigger foundations. May not have much money. Personal contacts very important (this can also be an advantage).
Corporate funding (big companies)	Have large sums of money to give. Often have professional, accessible staff. Usually clear on what they want from the arrangement. No hidden agenda.	Change priorities quite often. Sometimes want direct representation on the board. Often very sensitive to anything that might alienate other stakeholders.
Corporate funding (small companies)	Informal approach. Interested in local projects. Personal connections very helpful. Agenda is usually clear.	Not that much money. Interests limited. If no personal connections, no funding!

Acknowledgement: Civicus (www.civicus.org).

Finding grant-givers or funders

Government: Most routes will be able to begin their search for funding at the local level, talking to municipalities and local businesses for financial support and sponsorship. In theory, both stakeholders have good reasons to support a tourism route:

- Municipalities have a mandate to encourage local

economic development (many even have an LED officer) and help create jobs through this process; and

- Most local businesses will get some positive spin-off (new customers, for instance) if more tourists visit the area.

In practice, however, there are often places where funding is not easily available at local level, for various reasons, so routes may have to look further afield.

At provincial level, there are provincial tourism authorities (also called boards or agencies) that are mandated to support tourism in their region. Other provincial government departments (not just tourism) are also possible sources of grants and funding.

National government departments and agencies offer grants of various sorts.

Church: International church or faith-based funders, for instance CAFOD, International Aid and Dignity International are also concerned with socio-economic issues, so they could be relevant to your route and projects. However, since these funders are often based overseas, you will need to start by seeing if they have a local office you can talk to. If not, you may have to liaise with them almost entirely by e-mail.

Private foundations: Foundations are funding agencies with a particular focus on social needs or problems that are not being fully solved by the market (private sector services or products such as nutritious food may be unaffordable) or by government (services such as clean water and health care may not be up to scratch). Many foundations were started by wealthy families (for instance, the Carnegie Foundation and the Ford Foundation), while others were set up by large companies (such as the Eskom Foundation).

The larger foundations are better known, but explore the smaller foundations too, since it may be easier to develop a

long-term relationship with a smaller entity if they are focused on your area of work. It is sometimes easier to forge closer links with a group that is more accessible and less bureaucratic.

Corporate: The private sector (profit-making companies) is a good source of sponsorship, varying from large multinational corporations to those smaller companies that may only operate in South Africa or even just in one province or town. While approaching the big companies, make sure you also build relationships with those smaller companies in your region. If a company is profitable and committed to local development, it could still make a substantial financial contribution to your work.

Narrowing your search

Before you get to the stage of phoning or writing to a potential funder, take these steps:

- Carefully research their focus or mandate – check that your route or project will fit into this focus.
- Check the amount of their grants (for instance, the size range may be R50 000 to R250 000) suits your project.
- Check if there are any criteria (region, gender, legal format, etc.) that exclude you from applying.
- Check what the process is for applying, the closing date(s) for applications, and any special format or forms that your application must use.

First approach

If there is no clear application process (some smaller companies, for instance, rely on proposals from fund-seekers and do not have a formal process for applicants), then make some phone calls to find the right person to talk to about a proposal. Explain on the phone briefly what you are looking for and request a meeting to pursue the idea further; if they

are interested, they will meet with you.

Take a written overview or proposal to that meeting so that you can present the project verbally (you can even prepare a PowerPoint presentation on your laptop to take and present) as well as give the funder a written proposal when you leave. The written document is important because:

- **It shows how much thought and planning** you have already put into the idea – giving the funder confidence in your ability to actually implement the plan.
- **It gives the person a document to share** with their colleagues or superiors – who will usually have to be involved in deciding whether or not to allow the funding.

If you can, include some senior people from your Route Forum in the meeting. In addition to the project manager or funding coordinator (who finds the funders and sets up the meetings with them), you could include the Chairperson and the Treasurer – or any of the members who add weight to your argument that this is a worthwhile, community-based initiative.

Follow up

At the end of the first meeting, ask the funder for some follow-up dates when you can phone to check on progress with the application, or meet again to discuss anything else they would like to clarify. After your initial meeting with one person in the organisation, the funder may want to bring in others from their organisation to ask other questions and take the application to the next step.

It is vital that you give yourself the opportunity to reconnect with the funder after this first meeting; they will most likely have many applications to deal with and (especially if they are not well organised), and you often

need to 'chase' them to get a decision. Even if they are not able to fund this particular proposal, you have already taken a valuable step towards building a relationship; don't waste this time and energy by letting the link evaporate through inaction.

This organisation that you have approached should now become one of your route's stakeholders and should be included on your publicity list to receive your newsletters, brochures, annual reports and other public information you send out to raise your profile.

Who is involved with grant-givers and funders?

As mentioned in the Guide [How to Write A Funding Proposal](#), it is important for the route to have some clear guidelines on how it raises funds; a fundraising policy is a good idea. The aim here is to ensure that the route does not ruin its reputation by having any member going around to potential funders, looking for money for things that the route has not decided upon – or making 'deals' with funders on projects that are unrealistic, undeliverable or unknown to the route's management.

So the Route Forum must nominate people who need to oversee what projects need funding, how much funding must be sought, and who will be approached. This could include the Chairperson, the Treasurer and any others whose role is linked with either the general finances of the route or the particular project being pursued. Perhaps you already have a finance subcommittee that could do this, or maybe you would prefer to set up a fundraising subcommittee with this special task.

If there is a project manager tasked with raising funds, they need to liaise closely with this subcommittee before they rush

off to approach stakeholders for support.

How should your route manage its relationships with funders?

There are two main ways that your route needs to stay close to grant-givers and funders. The first, and most important, is the relationship with those who do give you funding; these relationships need to be closely and carefully managed, so that (a) your route abides by the contractual terms in the funding agreement. and (b) the link with the funder is strengthened, making it more likely to get funding again.

The second kind of relationship is with those who you have approached but who are not currently funding you. Consider grant-givers and funders as your stakeholders. In other words, don't only communicate with them when you are receiving their money. Rather, treat them as part of your extended family who need to be kept informed of your activities and plans. This is a vital part of building relationships that will support the work and growth of your route.

Once your route has decided who is going to take overall responsibility for fundraising, this group (or person) needs to work out who can approach funders and where a record will be kept of what takes place at every approach. Meet every month to assess the progress and to adjust the fundraising plans if necessary.

As part of Open Africa, your route can learn from the experience of other routes around southern Africa – including the most likely sources of funding for various kinds of tourism projects. So stay in touch with other routes and read how they are getting things done.

Practical tips

- **Keep a file of all proposals sent out**, as well as a printed copy of each funder's response.
- **Nominate one person** (treasurer, office administrator or fundraising manager) to consolidate all information about possible funders.
- **Prepare a brief route profile** that you can send to or leave with potential funders when you first meet them – just to give them a 'flavour' of what you do. The more detailed proposals can then be tailor-made.
- **Prepare a PowerPoint presentation** (with pictures) and show it to the Route Forum so they can sign it off (authorise it), then use this as the basis for presentations at meetings with funders. Slides can be added or removed, depending on the time available to present.

Use of this Guide

The Route Forum can use this Guide as well as anyone in the group tasked with fundraising responsibilities. It's important for the Route Forum members to know that they need to oversee and control fundraising efforts, but they also need to support this. Funders are usually needed both for the route management (office, staff, daily activities, etc.) and for special projects from time to time.

Routes should take advantage of Open Africa's links with training organisations – to get their staff and members trained in how to prepare proposals and find funders.

Other Guides

Here are some other Guides on the topic of funding and finances:

- Guide: [How To Write A Funding Proposal](#)
- Guide: [How To Develop A Project Budget](#)
- Guide: [How To Develop And Manage A Route Budget](#)

Contacts and other support

Greater Good SA is a knowledge hub for civil society that has information on funding your NGO.

www.gretergoodsa.co.za/funding