

*Please note: This is a transcription so there may be slight grammatical errors.*

Hello, and welcome to Mission and Markets, a podcast by CAPTRUST, where we explore trends and best practices for endowments and foundations related to mission engagement, fiduciary governance and investment management. Hosted by CAPTRUST's Heather Shanahan, director of the Endowments and Foundations Practice, each episode shares research resources and recommendations from industry insiders so your nonprofit can focus on what's most important: the mission.

Heather Shanahan:

Thanks so much for joining us for our latest episode, No. 5, of Mission and Markets. Be sure to check out last month's episode where we met with Karen Pearl and David Ludwigson of God's Love We Deliver, to discuss CEO succession planning. This month we are joined by Ruth Peebles of The INS Group, and we are going to take a look at grants, all things grants, both sides of the house, both organizations applying, as well as organizations that are giving grants and best practices for both groups.

Ruth, tell us a little bit about you, your background, what you're working on, your company and all things nonprofit in your world.

Ruth Peebles:

Awesome. Well, thank you so much. I appreciate the opportunity to be here today. I am originally from Ohio and I've been working in the nonprofit sector my entire career. I am a graduate of Bowling Green State University with a degree in marketing communications and completed my graduate degree at Carolina. And I have worked as a development director for two statewide organizations. I've worked as executive director for a local nonprofit here in Raleigh, and for 24 years I have worked as a consultant with The INS Group. I founded the consulting firm back in 1999, and we provide organizational development and capacity building services to nonprofits. So I have a real passion for the nonprofit sector, a passion for philanthropy, and love what I do.

Heather Shanahan:

Excellent. Well, thank you so much for joining us, and certainly you bring a tremendous amount of experience to the table. The interaction I had with you was specific to grants, and so I'm just curious, what are you seeing?

Ruth Peebles:

Well, what I'm finding is that foundations in particular are looking for organizations that are focused on a collective impact model and collaboration. So organizations need to think about how they are building their capacity, not working in isolation, and collaborating with other agencies, other partners in other sectors, and really thinking strategically about not duplicating efforts in the community, knowing what's happening in the community. And foundations are looking at or looking for innovative strategies and solutions to issues in the community.

Heather Shanahan:

So how do you encourage your clients to kick that off, either to find partners or to engage in those collaborative discussions that don't result in mission drift? How does that work?

Ruth Peebles:

I think it's just part of the network. It's partnership with your board members and diversifying your board and making those connections, being intentional about the professional organizations and just the affiliation, the background of board members to help open up doors. But also I think with, depending on the nature of the work and the focus area, there are associations to become a part of, but it's also just marketing your mission, your services in the community, and building relationships with all sectors, including the corporate sector, including faith-based institutions, professional organizations, individuals, public officials, and how to create messaging to draw those partners and begin scheduling meetings, finding opportunities to really make a connection and bringing something to the table. And what organizations will find is that they're not scrambling when these opportunities to apply, for example, to secure a grant for a collective impact model. It's not a last minute, let's see what we can do so that we can apply. But you've already established some of those relationships, and I do think that even if you're not specifically applying for a grant that is focused on collective impact and collaboration, it's something that an organization should be focused on.

Heather Shanahan:

Yeah, absolutely. There certainly was an enormous amount of support for nonprofits during COVID-19, any organization that was dealing with food insecurity and access to care, those issues, and then a tremendous amount of interest in supporting initiatives around DEI. Are you seeing those types of momentums continue? Are you seeing shifts? What do things look like right now?

Ruth Peebles:

What I'm finding is that nonprofits are still making the adjustment coming out of the pandemic, having to restructure just how they are implementing programs and services. But the shift, it is a positive one, because I think what the pandemic did was force organizations to think more strategically, to look at risk management. And I believe that it has really created an opportunity to make an assessment of programs and services, and become stronger. As far as the diversity, equity, and inclusion, that is something that foundations are focused on.

What I'm finding just in my own work is that organizations want the DEI alignment with strategic planning. They want it to be incorporated in the planning. They want it to be incorporated in board development. And so foundations sometimes are very specific on how organizations are looking at racial equity, for example. And so again, it has to be part of the core values of the organization, and it should be incorporated in all aspects of the organization, including board recruitment, including your marketing and messaging, including your methodology and how you were engaging diverse communities in your work. And also fundraising, looking at the diversity and equity as it relates to philanthropy as well.

Heather Shanahan:

We've had two conversations recently with two long-standing foundations that are really shifting their lens from their historical focus to diversity, equity, and inclusion. And it may be diversity, equity, and inclusion through a healthcare lens, or it may be diversity, equity, and inclusion as it impacts access to funding or all kinds of different ways that can play out and be impacted. Are you finding that a lot as well?

Ruth Peebles:

I am. I'm finding a lot of foundations are focused on that, and I think that organizations are having to become more intentional about it and not just make it a statement on their website, but really think about how do we engage communities of color, in real engagement? And it's not simply inviting as it

relates to board recruitment, but having conversations. I've seen organizations even be intentional about -conducting focus groups with various groups, even have folks take a look at the messaging and to provide feedback on different aspects of their work, whether they're focused on mental health, healthcare, homelessness, housing. It really doesn't matter what focus or mission the organization has. And even for organizations that are professional associations, they're still 501(c)(3) organizations, but they are professional organizations. I see that there's just a need for a candid and transparent discussion.

Heather Shanahan:

Let's talk about the grant application itself. I remember reading an article sometime, I think during the pandemic, that a lot of organizations were assessing their actual applications, that they were too long and too cumbersome. Are you seeing that enacted with clients in terms of an interest or with organizations who are applying for grants that maybe there's a shortening of that process?

Ruth Peebles:

I am finding that a lot of foundations are streamlining their process and making it just more of a seamless and easier process, but the simplicity of the process still doesn't take away from the work that the organization has to do, right? So even though there may be fewer questions, it's important to focus on how do we know we're successful in being able to articulate and look at the evaluation and methodology component? What is the case of support? Why are we asking for funding? What is the need in the community? So some of the key components of a proposal, it's not that they're removed, but I'm finding that organizations don't have to, I guess, jump through a lot of hoops, maybe as far as the attachments and documentation. Maybe that's limited. What I also am finding is that there are online applications and the narrative, it might be 250 words or 2,500 characters. The challenge with that is just being, because you have limitations, how do you tell your story? And you have limited words and limited characters. So I see the streamlining and making it simple, but I don't think it's taking away from the importance that organizations have to be concise and really be clear on what their project is, the methodology, what need they're addressing, goals and measurable objectives, and really looking at outcomes and evaluation.

Heather Shanahan:

So let's talk about telling your story. How do you strike a balance between those more technical pieces and the data points and what the measurable impacts will be, and the more mission-driven conversation that is often more emotionally impactful? So what guidance do you give with that?

Ruth Peebles:

I think it's really a combination of being able to tell the story and provide testimonials, but also have the data, the numbers. When I think about corporate foundations and many foundations, they also want to know the bottom line. And so what is your strategy for collecting such data, but also what data is already out there to build a case for why you are implementing a program the way you are, the best practice model that you're using? So I think it's a combination of having current data and then also telling the story. Most recently, I reviewed an application, and it was real interesting because it was more storytelling that they were seeking than the data, which I was really excited about, especially for these organizations, that many of them were grassroots organizations and didn't have tons of data, but you know that they're doing great work, but maybe they don't have the capacity to collect the data.

Maybe the data's not even available yet as well. So again, I see a slight shift, but I think an organization has to be clear about how do we gather information, talk to the members of our community, the clients that we're serving and supporting, and having a strategy to gather those stories, and how do we combine that with data collection that might be even from another organization with a similar mission to show that there is a need. And then, of course, what is our data collection methodology so that we can report back and say to the funder, "This is why we know we're successful."

Heather Shanahan:

Right. Yeah, I kind of feel like we see it all in terms of cadence of grant cycles; some organizations are annual, some are quarterly, some are on a rolling basis, an ongoing basis. And I always wonder how those decision-makers work because they must be meeting weekly or monthly. What guidance do you give in terms of best practice there? And I'm sure it depends a little bit on the organization, too.

Ruth Peebles:

So how it relates to the funder?

Heather Shanahan:

Yes. Yeah.

Ruth Peebles:

I think really a best practice model is to have a letter of intent or letter of inquiry as an initial starting point for organizations, because then you are able to eliminate some that really are not in alignment with the mission of the foundation, but they think they are, right? And so it avoids having 300 applications and you're weeding out. So having that letter of intent where an organization introduces themselves, and then the foundation or the funder can determine, gosh, it makes sense for us to invite them to submit a full proposal. So I think that is a great best practice. I also think just being clear on their website, what the requirements are, what is the range? So again, that helps with just the review of proposals. Also establishing a criteria for evaluating applications. I think that's important as well. I think having too many deadlines, too many grant cycles, can be overwhelming.

My recommendation, and just from my own experience, I would say two cycles a year would be plenty. And that gives you time to also make an assessment of how your process went, how to improve and build upon it, looking at the application itself and tweaking it next round so you have time to assess. And then I also encourage organizations to call funders, and if they have the capacity to meet with them in advance, it's kind of like the letter of inquiry, but to meet with them in advance. And that may be a lot for a funder to do, but I think it helps the funder have a more targeted approach and really reach their mission as well.

Heather Shanahan:

That makes sense. I know having sat in the seat of somebody who was applying for grants, there's so many out there, especially in the private foundation world, and sometimes it's really hard to figure out, who are they? How do I contact them? What do they do? And that's by design in many cases. How do you coach organizations? How do you coach nonprofits to navigate that?

Ruth Peebles:

I think that if there is a phone number and a contact person, I think organizations have to be bold and call. I even recommend that when an organization has a question about a grant application or they're unsure of something and they say, "Well, we're just going to go ahead and submit anyway." And I say, "Hey, if there's a contact person or an email, -at least attempt to submit questions." But I think part of the relationship building is showing up. When I think about community foundations, and the events they have, they may host webinars, opportunities to build relationships with program staff, and that helps open the doors. But I think that there has to be just a boldness if there's a phone number, an email address to follow up and ask questions. And sometimes it can be simply sending an email and introducing the organization, the mission, and saying, "Hey, this is how we align with our mission." And also thanking the foundation for the work that they're doing and show that they're excited about doing the research and seeing who they have funded and what types of projects.

I think another way of making that connection is looking at who they have funded, and maybe the organization is already partnering with a couple of organizations that they have funded. And so contacting them and saying, "Hey, what was that relationship like?" And that's a great way to build relationships, but also give a level of credibility when you do apply and you already have a partnership with organizations that they have funded. It gives a level of credibility as well.

Heather Shanahan:

That makes sense. Let's talk about tracking for organizations probably on both sides, because most nonprofits apply. If you're in the grant application business, then you're applying for a lot of them and say, "What does that look like?" And certainly if you're in the business of giving grants and funding, what does that tracking look like? What guidance do you give on both sides of that equation?

Ruth Peebles:

I would say on both sides, having grants management software would be my recommendation. And so being able to track for the nonprofit, even organizations or funders that you've identified, where are you with those? Did you research and find that it's not a match so that you're not duplicating efforts? Right? And then if it is a match, did you meet with them? Did you apply? And, of course, the grants management processes are the deadlines, the submissions, the reporting, the follow-up, the outcomes of the grant as well. And so with the grants management software, all of that, all of those details, you don't have to come up with it. The database has it, and you can modify and use it so that it aligns with the work that you're doing. But I encourage organizations to have that type of grants management in place, that database, that software. So also it helps with succession planning. If you have a development director who leaves and someone steps in, or even a grant writer, they know that you're not duplicating efforts, you're not missing.

Heather Shanahan:

Deadlines. Yeah.

Ruth Peebles:

And what I find that many organizations I work with, they don't have a system for even reporting. And many times the foundations are kind and say, "Hey, you missed this deadline. Please submit." But you don't want that to happen. And I think having grants management processes that looking at your deadlines, your reporting, what organizations have applied and what organizations were not awarded funding, and even notation of what I think would be ideal, just so that you're keeping track of the community, what's happening in the community. And sometimes foundations make a shift and change

their focus. And so maybe it was a great presentation, but it wasn't quite in alignment with the mission. But tweaking of the mission, maybe that is an organization in the future that you might support. And then sometimes funders talk to one another and keep record of that. They may offer a suggestion to the nonprofit or to the funder that they have a relationship with and say, "Hey, I'm aware of this organization that aligns with your mission."

Heather Shanahan:

Yeah. That's great feedback. Thinking about those collaborative projects and organizations wanting to tell their story in a different way, sometimes it's tempting to go down a bunny trail that creates additional work or requires additional staffing. If you're awarded the grant, how do you guide against that? How do you manage that?

Ruth Peebles:

I think it's a matter of taking a look at your programs and thinking about how you can enhance them so that you're not creating new programs, but you may be doing things slightly different. Maybe the enhancement is the target population, looking at the demographic. And maybe you already have, for example, someone who is bilingual on your staff, and so it's not adding new staff, but is thinking about another audience or target population that you want to reach. So it doesn't modify your methodology that it will be more costly, but again, it is an enhancement. Enhancement also can come, you're not creating a new program, but you're becoming more innovative because of the two partnerships you've established. So you're able to build the capacity of programming and look at things through a different lens because of these new partners.

I'm actually working with an organization that we were discussing an enhancement, and it was simply changing their model of programming by adding another staff, which wouldn't be burdensome, but it made sense because it helped increase the number of students that they were able to support. But it was based on a best practice model. It's a slightly new approach, but it wasn't compromising their mission or adding something that they wouldn't be able to sustain. Right.

Heather Shanahan:

OK, I'm an organization and I don't have a grants program at all. What on earth do I do to get started?

Ruth Peebles:

Great question. So I think the first step is really to have your strategic plan. So many times organizations aren't clear about for what they need funding. It's a haphazard approach. Someone sends them an opportunity and they're like, "Hey, let's go for that."

So I think having clear direction and a road map is the first step. And then from there, when you know the types of programs that you want funded, when you're clear about your mission and your measurable or your broad goals, then you begin your research and identify opportunities. From there is the relationship building piece, but I think as far as the grant writing is, take some courses if you have to, and begin to develop that core template that has the need statement, the goals and objectives, the methodology, the evaluation component, and then share that. Don't work in isolation. You may not have a grant writer or a full-time development staff, but work with board members to review that core proposal. And then from there, you're in the position to submit ongoing proposals. And so I think it's like, I always align it with college classes or writing a paper.

You just got to get started, and then you get better the more you write the grants and submit, and gain feedback and take classes and get different nuggets, you get better at it. And I do think that it's a

combination of the grant writing and then diversifying, looking at your strategic fund development planning and diversifying your funding base. So it's kind of like you can't just put all your eggs in one basket, but I think the process starts with just being clear about your organization and then just stepping out. And also thinking about different ways board members can help and other staff members that can help with the writing of different components, especially if you're a small organization or you're a one-person shop, or two people, how do you divvy it up and be able to develop that core proposal in preparation for ongoing submissions?

And I also think it's important to be intentional about the proposals that you are drafting and who you're seeking funding from. So I don't believe it's a numbers game like, "Let's try to get 20 proposals in this year." I'd rather see organizations target six, submit six strong proposals and secure three, than just churn them out and have no successes.

Heather Shanahan:

That's discouraging, also. Like psychologically detrimental to be in that boat, for sure. OK. One final question. Government grants, that application process and those considerations, how is that different?

Ruth Peebles:

The government grants are very rigorous. If you look at their RFP and applications, sometimes it could be 200 pages. There's the introductory document that might be 20 and like, "Oh, OK, I can handle this." And then you find that there are all these attachments. The key with government, it's nearly impossible for one person to draft a government. It really needs to be a collaborative effort. I encourage it after you have had some experience, to be honest, submitting grants to private and family foundations. It's a real skill for government grants. You have to cross every T, dot every I, the online application, and just the processes to even start an application online, you have to have a DUNS number. There are things that you have to have in place. So I think you have to have your checklist of preparation, things that you have to do before you even begin applying.

And then when you identify an RFP or an opportunity, you have to go through it with a fine-tooth comb. And even though they may have a checklist, create your own checklist, because there's so many things that you can miss. There's so many attachments. Many times it requires letters of support, memorandum of agreement, certain type level of reporting that if you don't have the capacity, you can receive this half-million-dollar grant, and you're awarded that, but if you don't have the capacity to maintain it and complete the reporting, it can end up-

Heather Shanahan:

Careful what you wish for.

Ruth Peebles:

Right. Right. Very challenging. Very challenging. But if you are awarded, I mean, it's a great opportunity and can certainly generate lots of revenue, but you also have to think when that the government agency says, "Oh, we're not going to fund this anymore." A lot of organizations have to stop their programs and services because that grant is no longer available. So you also have to think about sustainability and long term.

Heather Shanahan:

Yeah. That's a heartbreak when that happens. And we see it, don't we?

Ruth Peebles:

Yes.

Heather Shanahan:

Yeah. OK. Any other parting words that you think either folks applying for grants or those who are in the position of gifting them should know?

Ruth Peebles:

I think as far as organizations that are applying for grants, I think it is just practice, practice, practice. The more you do it, you become a better writer. But I also think it's just being intentional about who you're approaching and really doing your research as well. And then always keeping in mind the sustainability piece. If we receive a three-year grant, how are we going to continue to fund these programs and services beyond the grant? But I just think, I've seen over the years, I've been doing this for decades and I've become a better writer just through practice, just through doing it. And I think it just requires that you have to be diligent and consistent with it. As far as on the other side, private foundations, I think I just encourage private foundations, and I see this a lot, it's just really knowing what's happening in the community. And I've seen a lot of foundations kind of step back and have community listening sessions or focus groups and learning what's happening in the community so they have a better understanding of who they are supporting as well. But I think just clarity with regards to the application process and clarity as far as just their mission and what they're looking for, I think is very helpful. And that then you avoid tons of applications that are not in alignment.

Heather Shanahan:

Yeah. Like your LOI idea, for sure.

Ruth Peebles:

Definitely.

Heather Shanahan:

Awesome. Well, thank you. You've provided tremendous insight and I appreciate your willingness to be with us today and to be a guest with us on Mission and Markets. We always close Mission and Markets with a parting question, and that is mission impact. What does that mean to you personally?

Ruth Peebles:

I think mission impact, to me personally, it's thinking about what I'm most passionate about and the difference that it's going to make in lives individually, also collectively, and also outcomes. When I think about mission impact, I think the importance of everything that you're doing has an intentional; there's a desired outcome that you're not just doing it for the sake of doing it. So I'm not sure if I've answered your question.

Heather Shanahan:

There was no wrong answer. So it was whatever it meant to you. So Ruth, thank you so much. I'm truly grateful for your time with us today, and thanks for everyone who's joined us in listening.

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