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Creating Funding Opportunities Through Advocacy

Data show that the charitable nonprofit sector collectively earns nearly two and one-half times more revenue by performing under government grants and contracts (31.8%) than it receives via donations from individuals, foundations, and corporate giving combined (13.1%). See <u>Nonprofit Impact Matters</u>. Governments at all levels often "come calling" on nonprofits to provide services for the governments, or they publish notices of funding opportunities (request for proposals) with specific application forms and due dates. But sometimes governments have money to spend, but don't even think of turning to charitable organizations as being eligible, appropriate, or available. In those cases, nonprofits have to create their own opportunities through effective advocacy.

Two current examples come to mind: a state and local government's allotment of federal fiscal recovery funds and the availability of "earmarks" from Members of Congress. In neither case is there a pre-conceived notion of what a program must look like to get approval or how much it will cost. In both cases, the charitable nonprofit must not only make a connection with the government decision makers but also define a project that the officials will recognize as appropriate and beneficial. This means it takes relationships and substance to close the deal that advanced their missions in meeting community needs.

While these two funding sources require unique alignment of a community's needs, a nonprofit's abilities, and the government decisionmaker's interest and approval, fortunately the experiences of other nonprofits provide guides for us all.

First, the basics on the two potential funding streams.

- State and Local Fiscal Recovery Funds (SLFRF): The American Rescue Plan Act of 2021 allocated specific dollar amounts to every state, local, Tribal, and territorial government to address the impacts of the Covid pandemic. The law and regulations make abundantly clear that governments may invest their SLFRF allocations on charitable organizations to (1) provide direct assistance to nonprofits as beneficiaries trying to recover from the pandemic and (2) hire nonprofits as providers of services to others on behalf of those governments. See National Council of Nonprofits resources.
- **Earmarks**: In 2021, Congress renewed its practice of allowing individual Representatives and Senators to designate a limited amount of federal dollars to worthy projects in their districts and states. The term "earmark," however, has been relabeled in the House as "community project funding" and in the Senate as "congressionally directed spending." With some variations by chamber, the rules expressly permit Representatives and Senators to request funding for charitable nonprofits. This <u>primer from the Brookings Institute</u> should prove helpful.

A Key Common Denominator: In both funding streams, charitable nonprofits are **eligible** for these funds, but they are not **entitled** to them. They must make the case directly to the decision makers. But how to do that?

Pursuing SLFRF Dollars

Remote video URL

A recent <u>nationwide webinar</u> hosted by the networks of the National Council of Nonprofits presented the background and opportunities of the program, and then asked trusted experts to share their organizations' experiences in pursuing SLFRF dollars.

Laura Walling of Goodwill Industries International shared six examples of local Goodwills successfully securing SLFRF funding for workforce development programs.

She shared the recurring theme that each local nonprofit was innovative in what they proposed. They recognized that the governments needed to either obligate the funds or send the money back to the federal government – "use it or lose it." The local Goodwill organizations presented creative ideas to local public officials for how the funds could be put to use in their communities. And the direct approaches proved successful.

Colleen Robinson of the Clallam County (WA) Habitat for Humanity explained that there is no common application form nonprofits can use to make their ask. She shared how her organization secured multiple SLFRF grants from different governments. In particular, she recommended creating a concise and clear statement. She used an executive summary that defined the problem the local Habitat had identified, explained how the money would be used, and described how it would positively impact the community.

Recapping the webinar presentation, the key points were:

- The governments did not advertise or post notices that funds were available. So
 how do you find out what money is available? You ask. You show up at council
 or committee meetings and participate. You watch government websites for
 news. You pick up the phone and ask. And then you follow up with appropriate
 officials.
- Who are the right officials to ask? Same answer you ask until you get the right answer. Every jurisdiction is different, and SLFRF was a brand-new concept, so no government has dealt before with the opportunities and challenges presented by SLFRF dollars. So, it's often challenging to find who has the best info. Calling the city or county finance office, the Mayor's office, or even the central switchboard can be a very productive first step
- It's not one and done in terms of funding. Nonprofits that receive SLFRF funding can still go back and ask for more – from the same government or from other governments.
- Nonprofits can go to several governments to seek funding not to cover the same costs twice, but to address other pandemic-related challenges for the organization or in the community.

Securing Earmarks

Securing earmarks is both easier and harder than pursuing SLFRF dollars. Easier because every congressional office has a process for soliciting and weighing the relative value of funding requests. This somewhat dated guide from the Bipartisan Policy Center is a good place to start: Earmarks Guidance for the 117th Congress. Harder because nonprofits are competing with local governments to have their proposals selected, and local governments often have closer and long-standing relationships that individual charities can't match.

For guidance on navigating the process, we turn to Steve Taylor and Geoff Paul of the public affairs firm Integer. In <u>an article last year</u>, they reported that nearly half a billion dollars has been designated via earmarks for nonprofits.

- They recommended that the best strategy for success is to be armed with a base of knowledge about what individual offices are looking for, both on the House and Senate sides.
- They also encouraged perseverance. "If you missed this year's application deadlines, there is next year. And it's already time to start laying the foundation for a successful application."

In sum, ordinary procedures are fine when pursuing ordinary funding opportunities. But when extraordinary possibilities present themselves, advocacy is key.