FUNDING FACT SHEET

PHILANTHROPIC GRANTS 101

NEW ENGLAND environmental finance center

WHAT ARE PHILANTHROPIC GRANTS?

Philanthropic grants are financial awards granted by non-government entities, such as private foundations, community foundations, or corporate foundations. These grants support projects that align with the funder's mission. Philanthropic grants do not need to be repaid, and are usually more flexible than government grants in terms of scope, application process, and reporting. This often makes them more accessible to municipalities, grassroots groups, and nonprofit organizations.

WHO CAN RECEIVE FUNDING?

While some foundations will give to municipalities, many exclude municipalities from direct eligibility. In these cases, towns should pursue a public-private partnership, identifying a local nonprofit or grassroots group with a fiscal sponsor to apply on the municipality's behalf.

✔ **TYPICALLY ELIGIBLE**
Registered nonprofits

! **WITH A FISCAL SPONSOR OR PARTNERSHIP**

- Municipalities & Public Agencies (via public-private partnership)
- Grassroots groups (via fiscal sponsorship)

✘ **TYPICALLY INELIGIBLE**
For-profit businesses

WHAT TOPICS ARE FUNDED?

There is a foundation for almost everything. The key is to identify your project needs first and then locate the specific funder aligned with them, rather than warping your project to fit an open grant. Common funding opportunities for municipalities include:

Program support: Funds to cover the direct costs needed to launch, run, and evaluate a specific project or initiative.

Capital Expenses: Grants for physical infrastructure and long-term assets, such as new emergency vehicles or upgrading technology for the town office.

General Operating: Covers core overhead that keeps a municipality running. Unrestricted operational funding is the ideal scenario for local governments because it offers maximum flexibility, however, most philanthropic funders don't allow explicit general operating support. Instead, they typically cap this by only allowing a set percentage of a program grant to cover indirect expenses or administative overhead.

As of 2023, there are 701 private and community foundations in Maine, giving $359 million in Maine and abroad.

HOW DO THEY WORK?

While all applications are different, applying for a philanthropic grant generally adheres to the following process:

1 GUIDELINES RELEASE
Funders publish a Request for Proposals (RFP) outlining their current strategic priorities, funding caps, deadlines, and other requirements.

2 APPLICATION
Applicants submit project plan, objectives and metrics, and budget.

3 REVIEW & SELECTION
Foundation's board or program officers evaluate submissions.

4 AWARD
Selected grantees receive funds. Philanthropic funding is received up front.

5 REPORTING
Grantees will likely periodically report on objective progress and expenditures. Reporting is usually less laborious or formal than federal or state grants.

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EXAMPLE PROJECTS

Town of Sorrento, ME
Recieved $8,900 in project support to winterize the Sorrento Community Building from the Community Building Grant by Maine Community Foundation.

Town of Brunswick, ME
Received $15,000 to purchase the Ormsby 40+ acre property along the Androscoggin River for Merrymeeting Park from the Davis Conservation Foundation.

Houlton Band of Maliseet Indians
Received funding from the Quimby Family Foundation for general operating, expanding programs, and pilot programs.

SEARCH PROCESS

Dedicate time to the search process to ensure you find a foundation and grant opportunity that aligns with your project. Leverage GuideStar to search foundations and look at a foundation's most recent available tax findings. This will show their total endownment, what they invest in, and their previous grants. Applicants can also make an appointment with the New England Environmental finance Center to conduct a funding scan.

FOR MORE RESOURCES OR TO REQUEST ASSISTANCE, PLEASE VISIT NEEFC.ORG

FREQUENTLY ASKED QUESTIONS

What is the average size of a philanthropic grant?

> Philanthropic grants are usually smaller than government grants. Awards in Maine usually fall between $10,000-$40,000, however grant sizes can have a vast range.

Can grant money be used to pay for staff salaries?

> Yes, if the foundation allows for general operating support, if staff time is explicitly tied to executing the project, or through indirect funds.

How long does it take from application submission to receiving funds?

> It can take anywhere from 1-12 months from submission to notification of award. Usually, upon submission, funders will provide a timeline for grantees to be notified of their award. Distribution of funds usually follows within a month or more after the award depending on paperwork and compliance frameworks.

TIPS FOR SUCCESS

Writing a philanthropic grant requires a different writing style than government grants. It should have a compelling story that outlines a tangible impact on people or the environment.

Grant applications are time consuming. Ensure the funding amount justifies the administrative effort required to apply.

Having standard language ready that can be quickly manipulated to fit specific foundation questions can be a huge time saver when writing grant applications.

Much of grantmaking is relationship-dependent. Building early rapport with the program officer familiarizes the funder with you and your proposal and signals that you are a communicative partner.