



# Sponsorship Training

Week 4: Foundations and Grants: What are they?



## Topics

- Week 1: Intro and Telling Your Story
- Week 2: Finding Leads
- Week 3: Crafting the Email Pitch
- **Week 4: Foundations and Grants: What are they?**



## Objectives for this class

- Individual
  - Personalized short in-person pitch
  - Personalized email pitch template
- Group
  - Bank of answer templates for typical grant application questions



# Last Week's Homework

I will provide individual feedback on the email templates you wrote after week 3, along with suggestions on how your emails might be slightly adjusted based on who you're sending it to - whether you're asking a previous sponsor to renew, or approaching an individual for a personal donation, or reaching out to a new sponsor, etc.

And later in this video, I will go through how to log into our team's shared sponsor email account so that you can send your emails using the [sponsor@littletonrobotics.org](mailto:sponsor@littletonrobotics.org) email address instead of your own personal email address. Not only will this keep your work with the team separate from your school and personal email, but it means that we can work together to make sure that any necessary follow up happens.



# Grants vs. Sponsorships

So we've spent some time discussions how to approach a potential sponsor, how to engage with them and make the ask. Today I want to spend a little bit of time talking about grants and how they're different from sponsorships, and why they're important to the team. There are definitely times when the line between a grant and a sponsorship gets a little fuzzy, and that's ok. We'll just start with the generalities and go from there.

## What is a grant?

- ◇ Often given by a charitable foundation or a branch of a corporation set up specifically to award grants
- ◇ Usually requires an application process
  - ◆ Specific questions about what your non-profit does and how the money would be used
- ◇ Grants are more likely to be “directed” donations or for specific projects than sponsorships
- ◇ May have specific grant cycles

Many large for-profit corporations have set up a separate branch of the company that is just responsible for administering grants. For example, in the past 6328 has applied for grants from companies like Dell and Bristol Myers Squibb that have specific divisions set up outside of their normal business operations to accept and process grants requests.

Grants usually require a formal application through their system and don't usually accept requests for donations made outside of that application system. There are usually questions that ask you to describe your non-profit, what you do, how grant money would be used, and what programs it would be used to support. There are often also questions that help the company providing the grant comply with IRS rules, such as asking about whether any money would be used to support religious institutions, higher education institutions, or political campaigns. Those kinds of donations require different reporting to the IRS so it's important that the granting company understands how the funds would get used.

It's also more common with grants than with sponsorships that approved funds might come with stipulations about what it will be used for - maybe it's to fund a specific program or one time capital purchase rather than annual operating expenses. That doesn't always happen, but it can. For example, the BAE Systems grant we've gotten every year for the team, which does require a specific application process, can only be used to cover the team's registration fees to FIRST. Which is fine! That frees up money we raise elsewhere to cover other expenses instead of the registration costs.

And grant cycles. It's also common for grants to have windows of time when you can apply for that year's grant cycle. For example, BAE Systems accepts grant applications from FIRST teams in August and September for the next season's registration fees and then they let everyone know their decisions about who is approved for grants by November. A lot of the larger foundations operate that way with grant cycles as a means of managing floods of requests against their annual budget. It just means that when applying for grants, you need to understand if there are timelines to be aware of. Grant applications are generally very clear about their deadlines.

And because of those grant cycles, also know that it can take a while to hear back about grant applications. These are not quick-turnaround avenues for emergency we-need-it-now funding.

## Who gives grants?

01	Operating Private Foundation	<ul style="list-style-type: none"><li>• Raise money to operate their own programs that achieve the foundation's goal</li></ul>
02	Non-Operating Private Foundations	<ul style="list-style-type: none"><li>• Raise money to give to other outside organizations that support the foundation's mission</li><li>• Generally are required to distribute a specified percentage of their endowment each year</li></ul>
03	Corporate Foundations	<ul style="list-style-type: none"><li>• Private foundation that gets its grant making funds primarily from the contributions of a profit-making business</li></ul>
04	Family Foundation	<ul style="list-style-type: none"><li>• Funds come from members of a single family</li><li>• At least one family member helps run the foundation</li></ul>
05	Community Foundation	<ul style="list-style-type: none"><li>• Set up to benefit the residents of a defined community, generally no larger than a state</li></ul>

While not absolutely comprehensive, these are the most common types of organizations that give grants. Some are more applicable to our situation than others, so it helps to understand the basics of how grant-making organizations are set up. That way you won't waste time trying to apply for grants from organizations that are just not set up to support organizations like ours either because of a specific mission or because of how they are organized in the first place.

Operating Private Foundation - an example would be a museum that runs its own non-profit programs to support the fine arts. These foundations will rarely give money to outside organizations, but they will try to raise their own funds.

Non-Operating Private Foundations would be a good place to look for potential grants, especially if we can find local foundations that support STEM and technical education programs.

Both Operating and Nonoperating Private Foundations are organizations in and of themselves. They exist solely to fund grants and are non-profit organizations themselves.

Corporate Foundations are the ones like the BAE Systems grant that has helped cover our registration costs. They are foundations run by for-profit businesses to support charitable donations by the for-profit business.

Family Foundations are set up and seeded by a single family, obviously usually a very

wealthy family. The Bill and Melinda Gates Foundation is an example of one of the largest, but there are small family foundations all over. The smaller family foundations are usually set up to support work in a very specific location or for a very specific goal or cause and they generally have very narrow definitions of what projects they will help fund.

Community Foundations are set up to support a specific geographic region, typically no larger than a state, in a variety of ways and can distribute grants to local organizations that support residents in that geographic region. Some are set up to support new small businesses or programs that support struggling school systems. But there are a wide variety ranging from tiny to very large in terms of scope and funds available.

Some of the largest foundations in the world in terms of assets are the Bill and Melinda Gates Foundation, The Ford Foundation, J.Paul Getty Trust, the Robert Wood Johnson Foundation, and the W.K. Kellogg Foundation. Now wouldn't it be interesting to find out if any of those foundations have ever supported a program like FIRST? Though they are large enough in scope that they're more likely to partner with FIRST HQ rather than support individual teams.

## Typical Grant Application Questions

- ◇ Please describe your non-profit organization.
- ◇ How do you support our mission of STEM education in the local community?
- ◇ What is your impact in your community?
- ◇ If approved, how will the grant money be used by your non-profit organization?

While the exact language may change, most grant applications include some flavor of these questions. If the foundation you're applying to has a specific mission, such as STEM education, there will likely be a question or two about how we support that mission.

Based on the work you've already done on your elevator pitch and email templates, you have a good start on answering these questions.



# Questions?

I know you can't really ask questions right now since this isn't live, but if you do have any questions just reach out through Slack or email.

## To do for next week

1. Read through feedback on the email templates and update if needed
2. Log into the shared email account for sponsor outreach
  - ◆ Ask me via Slack for the password when you're ready
3. Tell me once you've successfully logged in and I'll provide a list of five people to send email to

This week we're going to focus on getting those first emails sent to potential sponsors. So the homework is going to be about getting logged into the shared email account, which I'll get to in one second.

Next time, I'll talk more specifically about how to approach answering questions on grant applications and the homework will be about draft some possible answers.

We'll start with five people, and if you are able to do more let me know.