Financial Resources for Coalitions

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The work of community change often requires significant human and financial resources. While it is possible for a coalition to do some activities with minimal funding, a coalition’s ability to secure resources affects its capacity, sustainability and ability to produce change in the community. Identification of support for doing the work of community change should begin early and continue throughout the life of a coalition (Roussos and Fawcett, 2000).

Financial support is available from many sources, both public and private. Multiple sources of funding may be preferred to avoid total obligation or association with a single source. Additionally, multiple funding sources can stabilize a coalition and ensure its survival. The management of multiple funding sources often requires administrative work and the need to comply with a variety of regulations, however (Butterfoss, 2007). If possible, it may be helpful to appoint a fundraising chair or include a grant writer in the coalition to oversee the management of multiple funding sources.

Total Identification of Resources

Prior to seeking out funding, a coalition needs to identify its existing resources, including what is currently available and how much is expected in the future. Coalition resources may come from any of the following:

- Grants
- Donations
- In-kind (non-cash) contributions
- Membership dues
- A lead organization’s budget (if an organization pays for staff or covers basic operating expenses)

Once resources have been identified, a coalition needs to estimate its projected expenses, which include the following:

- Coalition operating costs (staff, rent, utilities, insurance, Internet, etc.)
- Program supplies and other costs associated with coalition activities (photocopying, office equipment, paper products, educational materials, etc.)
- Other necessities such as mailing fees and mileage fees

In addition to listing these expenses, a coalition may want to make a wish list of things it would like to do or have if funds are available. If multiple members request certain items, the coalition may want to seek out funding so that it can pursue those requests.

Fundraising

Fundraising is a way for organizations to seek financial support through the marketing of their activities and services to the community. Fundraising can help a coalition do the following:

- Diversify its funding sources
- Transition from one source of funding to another
- Acquire resources to implement activities when funds are lacking or uncertain
- Acquire additional funds to cover initiatives that will help the community thrive

Fundraising requires pre-planning and organization; it is not something that can be done well in response to a crisis (Butterfoss, 2007). Successful fundraising is the result of building credibility and ongoing, two-way relationships with potential donors. These relationships can help a coalition maintain a constant funding level, which enables them to carry out programs rather than constantly search for program funds.

Tips for Successful Fundraising

- Create a list of potential donors. Keep track of when requests for funds are made and what each donor gives to the coalition.
- Explain the vision of the coalition and why funding is needed to accomplish its work.
- Explain how funders will benefit from making a donation. Find out what appeals to each donor (recognition, for example) and think about how to give it to him or her.

When fundraising, a coalition may sometimes be offered in-kind contributions in addition to or in place of monetary funds. When special events are planned, a coalition may even want to seek out certain in-kind contributions from select donors to minimize program costs. Food and paper products can be used at planned events, for example, and office supplies can help with everyday operating activities.
Grants and Contracts

Grants and contracts can be helpful when a coalition is unable to secure all the funds that it needs from within its own community. Grants come from federal, state and local agencies; foundations; private businesses; and corporations. Grants can provide the necessary resources to start a new project or expand an existing project, enabling a coalition to do work that it might never do otherwise (Butterfoss, 2007). It is important to note, however, that incorporation is often required of an organization that wishes to apply for grants. More information on incorporation is listed in the fourth fact sheet in this series titled Coalition Structure.

Prior to applying for grants, it is also important to keep in mind that there will always be more requests for funds than there are funds available. There are many challenges associated with grant seeking that a coalition should consider, as the time spent applying for grants, if not done carefully, may be better spent elsewhere. These challenges include the following:

- Eligibility requirements, including incorporation
- Rules and restrictions on how money can be used
- Ongoing reporting requirements
- Disrupted cash flow
  - Delays typically occur between invoice submission and the receipt of funds.
- Need to submit a grant proposal, which often includes the following:
  - A description of the coalition, including its background and qualifications
  - A description of the problem to be addressed
  - A description of the solution proposed, including specific program objectives
  - A description of the methods that will be used to meet the objectives
  - Documentation of the group's ability to carry out the objectives
  - Financial needs associated with the request, including a budget and evidence that the effort will not rely solely on the funder's support.
  - Documentation that a systematic evaluation will be carried out to demonstrate that funding has made a difference

It can be discouraging when a coalition submits a grant proposal that is not funded. In this situation, the coalition has a few options. They can submit a revised proposal, abandon the project, resume fundraising efforts or pursue other avenues that might solve the problem with fewer resources. When considering the latter option, it is important to keep in mind that people, goods and services can be valuable resources in addition to money.

References


Additional Resources

The Asset-Based Community Development Institute. "Downloadable Resources." Publications on community assessment and community mobilization. abcdinstitute.org/publications/downloadable
Coalitions Work. "Tools and Resources." Resources for a variety of coalition processes and coalition evaluation. coalitionswork.com/resources/tools
University of Kansas. "Community Tool Box." Toolkits on a variety of topics related to partnership building and community change. ctb.ku.edu/en/table-of-contents
Iowa State University, North Central Regional Center for Rural Development. Vision to Action: Take Charge Too. Publication about community assessment, vision development, action planning and evaluation. soc.iastate.edu/extension/nccrd/nccrd-rrd182-print.pdf