

# Foundation Research

## REFERENCE GUIDE

When it comes to finding the right donors to support your cause, there are many factors at play. The best donors have a history of giving, strong linkage to your cause, and the ability to share truly impactful gifts of money, time, or personal expertise. While individuals make up the largest group of donors, foundations also present fantastic opportunities for other nonprofits like yours. Why? Because giving is what foundations do! In fact, According to the **2021 Giving USA report**, giving by foundations reached a record **19% of total giving in 2020**.



**Foundations and private charities are highly-motivated donors.** Many have mandates to share their resources with all kinds of nonprofits. There are opportunities for your organization to establish donor relationships with a major public charity, or secure a grant from a private family foundation, or to connect with the individuals who support, work at or donate to various foundations. But how exactly do you uncover these opportunities? Let's start by breaking it down.

### THERE ARE TWO CATEGORIES OF FOUNDATIONS:



**PUBLIC CHARITIES**

Public charities are nonprofits that rely on many different sources of funding, especially from the public.

**Examples:** United Way, Habitat For Humanity



**PRIVATE FOUNDATIONS**

Private foundations are nonprofits with a single source of funding.

There are **three distinct types** of private foundations:

**Family Foundations** are the most popular type of private foundation, where wealthy families designate gifts to other charitable organizations to advance a number of different or related causes. Often, a member of the family chairs or sits with the foundation's board of directors.

**Example:** W. K. Kellogg Foundation

**Corporate Foundations** are financed by the profits of a related company, but are separate legal entities with the same 501(c)(3) duties and responsibilities as other nonprofits.

**Example:** The Bank of America Charitable Foundation, Inc.

**Operating Foundations** earn revenue to run its own group of charitable services. This type of foundation is common with hospitals and museums, where sources of revenue pay for the foundation's own services and operating costs.

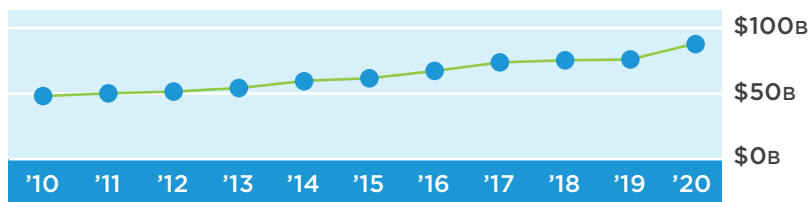
**Example:** J. Paul Getty Trust, which operates one of the most visited museums in the United States.

## Affiliations and Giving History

Foundations make excellent donors. However, maybe you aren't interested in the foundations themselves, but the *people* connected to them.

Let's say you're interested in Foundation XYZ. No organization can run without people. Can you learn who's on the board of directors? Who donates to XYZ, and where are those funds directed? Who volunteers with XYZ? Suddenly, your list of individual prospects gets a whole lot bigger.

### ANNUAL GIVING BY FOUNDATIONS, 2010-2020



Adjusted for inflation. Source: 2021 Giving USA report

Giving history is an important clue to consider when researching foundation prospects. As Grantspace explains, "Past grants can reveal a funder's preferred subjects, organization types, and ranges of grant amounts." Most foundations list their donors and donation amounts in IRS 990-PF forms. Private foundations are required by law to disclose this information, so it's often easier to find data from these organizations. Public charities are not obligated to disclose their 990s, but they often share these forms on their website for transparency.

## Take Your Foundations Research to the Next Level

### If you don't have foundation prospects in your database...

find foundations that can support your nonprofit.

There are many ways to search and learn more about foundations and the people connected to them.

Here are a few resources and strategies to try:



#### BUILD A LIST

Let's say your nonprofit focuses on local environmental causes. You can build a list of foundations that have funded similar organizations in your home state/province or nationally. Search for organizations with environment-focused mandates. Simply put, an environmental foundation is much more likely to give to your organization than to, say, a health or arts nonprofit. Guidestar, offered in iWave, is one example of a very comprehensive source of foundation and public charity information in the industry.



#### PERFORM A REVERSE SEARCH

First, make a list of nonprofit organizations that are similar to yours. Next, research those organizations to determine which foundations fund them. If XYZ Foundation is giving to other environmental nonprofits, maybe they will give to yours too.



#### PUBLIC LIBRARY

Don't have a prospect research tool? Visit your local library and explore listings of nearby foundations so you can determine who gives to them or to whom the foundations themselves tend to give.

**If you do have foundation prospects in your database...** prioritize your best prospects and gather more detailed data.

### FOUNDATION SCREENING TECHNOLOGY

Traditionally, foundation research was a time-consuming, tedious process that involved searching multiple databases one at a time, collecting all the data in one place, and manually calculating ratings for each prospect in order to identify top prospects. Now, the most efficient way to prioritize foundation prospects and gather the data you need to apply for grants is by using foundation screening technology. iWave is the **only** platform that offers this modern technology to accelerate your grant research.

Similar to iWave Screening for individual donors, nonprofits are able to fully customize their experience based on their unique missions and funding interests. This first of its kind feature delivers affinity scores, giving capacity, grant details and analytics for US and Canadian foundations to support your fundraising strategies.



**iWave's Foundation and Company Screening** feature allows you to quickly segment hundreds or thousands of foundations and corporations into a prioritized list with actionable insights for your top prospects.

You can use the feature to:



**Quickly identify top foundations** who have a history of giving grants to organizations like yours.



**Segment and prioritize** foundations using scores and results that are tailored to your organization.



Understand a foundation's **giving capacity and giving patterns** to determine the best ask amount.



**Uncover detailed information** from 990s including grants awarded, total assets, EIN numbers, and contact information.



Receive comprehensive **foundation profiles**.



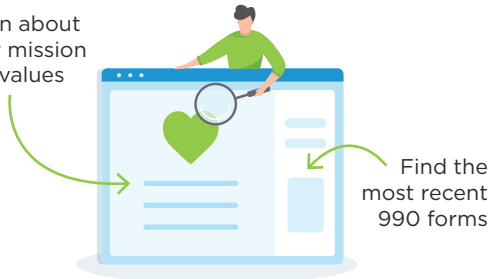
**Easily view a side-by-side comparison** of foundations.

## Foundation Resources

Some of the best resources are the ones the foundations supply themselves.

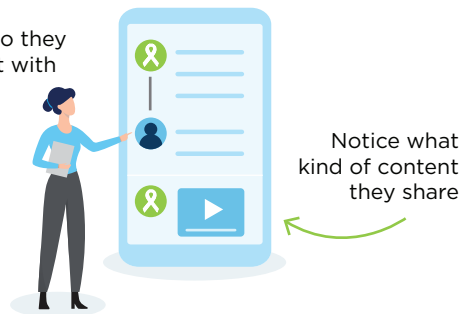
### ✓ VISIT THEIR WEBSITE

Learn about their mission and values



### ✓ CONNECT ON SOCIAL MEDIA

See who they interact with



## Foundations Database

There are many excellent databases that take you farther than a simple Google search. iWave offers access to US foundations data provided by Guidestar and Canadian foundations data from the Canada Revenue Agency.

**Guidestar** is a comprehensive source of foundation and public charity information. Not only does it provide you with information on nonprofit officers and board members, but it also gives you full 990s, summarized financial records, the purpose of grant information, impact statement, and purpose of grants. The **Canada Revenue Agency** offers similar resources for researching Canadian prospects.

### This information can help you:

- Determine an appropriate ask based on past giving to other organizations;
- Build a list of charities with potential to give to your cause based on a number of search filters;
- Understand what causes your prospect is passionate about (what foundations they're affiliated with);
- Identify high capacity donors by searching for a stakeholder's compensation from the foundation; and
- Find out how to apply for grants.

**WHETHER YOU'RE TRYING TO LEARN** more about current prospects, searching for new prospects, or applying for grants or sponsorship, foundation research is a major asset. By considering these resources in your search for funding, it can help you do your best and most efficient work.

**Ready to secure more grants?** Contact us today for a complimentary demo of iWave's Foundation and Company Screening.