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All Aboard the Struggle Bus! - Transcript

Welcome to Charity Therapy, the podcast where we explore the ups and downs of the non-profit sector and answer your burning questions. I'm your host, Jess Birken, owner of Birken Law Office, and I'm excited you're here. Imagine hanging out with me and my super smart, funny non-profit expert pals.

You get to ask them anything about your nitty-gritty non-profit life and get their wisdom for free. Whether you're a seasoned pro or just strapping on your non-profit boots, we're here to share stories and remind you, you're not alone on this journey. So get ready to join the conversation and bring me the tough questions.

I ain't scared. Ready to rock? Let's dive in. Hey everybody, welcome to this episode of Charity Therapy.

Today I am joined by Allison Welch. Allison is a grant writer and a non-profit fundraising consultant, which means you're the one my clients call when it comes time to figure out how the heck they're going to fund their missions, right? Yeah, that's right. Thanks so much for having me, Jess.

Yeah, no problem. I knew when we first met, I was like, oh my gosh, you're amazing. I need to get you on the show because this it's such a big concern.

And especially because I work with so many small non-profits, this is just such a hot topic and to have you here is awesome. So I know we probably hear a lot of the same things from our clients and I bet that it would sound familiar to you to talk to a newer organization and they're saying, you're asking them, what's your fundraising plan? And they say, grants. They just appear after you get your 501c3 status, obviously grants.

I think in the IRS regs says, as a public charity, 33% of your revenue will come from gifts, grants, and contributions. And it's like, it's not automatic folks. It's not automatic.

So I usually have to burst their bubble and explain that finding and getting grant funding is a little more complicated than they think. Yeah, I'm right there with you. So before we sort of like dive in to our listener question, can you just kind of give us like an overview for folks who haven't really applied for grants before? What does this process even look like? And can a brand new non-profit actually get grant funding? Yeah, it might be a little bit unusual for consultants that I really like working with new non-profits and helping them navigate this stuff.

Me too. Right, it's kind of fun because you know how influential it can be at that stage in an organization's growth trajectory. And yes, it does take work, which I'm sure we'll get into in a moment.

But the good news is that yes, you can get grants as a brand new organization. There are some nuances and prerequisites, right? Like you have to at least have your 501c3 status or be fiscally sponsored. You have to have a clear mission statement and a view of like the problem that you're trying to solve in the world.

And you have to have at least one fundable program, right? And be able to articulate how grant funding is going to influence that program. And then finally, you know, you have to be able to

create some of the typical documents that grants ask for, whether those are a balanced budget, you know, which is sometimes harder than it seems. Sometimes that is a big struggle.

Yeah. Or, you know, just being able to produce like, you know, an income statement, a balance sheet, or have an accountant that can help you do that. But I mean, once you have those prerequisites, sorry, go ahead, Jess.

No, I was gonna say, which requires you to do actual accounting, which is also often a struggle. Yes, that's a very good point. You know, it doesn't have to be super complicated at that point.

But you do have to be able to produce some of those baseline documents to be successful with grants. But you know, once you have those prerequisites in place, I mean, the actual process of writing a grant is really just about communicating those things clearly and understanding what the funder is trying to achieve in the world. So you can articulate how you intersect with those goals and how you help them achieve their mission to a typical grant is going to ask you some basic questions about, you know, what, what are your mission and vision? What's your organizational history, but then it'll often go on to, you know, ask you about what you hope to achieve with their funding and how you align with their goals.

And so it's important to also do a little bit of digging on what the funder is trying to achieve. And there are various ways to do that. But a new organization, I think, should also understand that not every funder likes funding new organizations, either.

Some of them are just a little bit less risk tolerant when it comes to new organizations. They are out there, there are funders that are just totally agnostic to how old your nonprofit is. They care about the impact they want to achieve in the world.

And they don't care whether you're new or 100 years old. And some even like funding, new organizations and kind of see that as like a unique role that they can play in the ecosystem. So they are out there.

Do your homework though. You can't just like spam a thousand funders and like see what sticks. It sounds like it's a communication game.

Absolutely. Exactly. So yeah, key takeaway.

That's a great way to put it. It is a communication game and do your homework. You know, you can often find that type of information on funder websites, but there are other tools.

I mean, there's so many prospect research tools out there. It's kind of overwhelming, but a good free one is just looking at 990s to looking at funders, 990 filings to see who they're funding. Yeah, for sure.

Well, that's sort of as our base layer. Let's kind of dig in on this listener question because we've got like a juicy one here today. You want to get going with this? You ready? Sure.

Let's go. All right, let's do it. Here's our question.

Our nonprofit has been in existence for several years with no funding beyond a few small private donations. We just got our first big grant at the start of this year. Wahoo.

But it is a reimbursement grant. I didn't realize we'd need funds up front and we just don't have any cash to get started here. So now I want to apply for a bunch of other grants quickly that will give us the funds up front so we can cash flow it all.

I've been toying around with using ChatGPT to write all our grant proposals. So I think I can make this work. But is there another way we can get the funds to get started? Oh, my gosh, Allison.

There's like layers in here. Where do you want to start? Because I definitely have ideas. But like, which layer would you like to start with? Yeah, I can't wait to hear your ideas, too.

I mean, I would just say, first of all, congrats on getting your first big grant. That is huge. And like I said, I know how impactful that is for a young organization.

And at the same time, it's like a reimbursable grant. They can just be so challenging to administer, especially for a small organization. I mean, really kudos to you.

And also I feel for them. And I wish I could ask some follow-up questions. I wish they were here.

I know, right? That's always the plague with the questions. It's like we don't get to ask any follow-ups and we don't have any other facts than what they gave us. I think there's actually quite a bit here, right? Because what this sort of telegraphs to me is that they did not do their homework because it is completely knowable whether a grant will be reimbursement-based or not.

Yes. You can talk to a funder. You can research the grant program.

Many government programs, in particular, are reimbursement-based. And this is something that I see frequently with smaller organizations is they don't have any clarity or understanding about the cost of accepting a grant. Because it is not free to take the grant.

Because you're going to have to administer the grant. You're going to have to prepare reports. Someone's going to have to pay attention and work with the funder.

And I've had clients where they've even gotten, like, they're working on getting a direct appropriation from a state legislature and they get all the way down the road and then didn't accept because they realized how much work it was going to be. It's like, yes, this is what you were saying just before. You've got to do your research.

Because this was something that they could have planned for. And sometimes I think people get so excited about getting the grant that they're not really thinking about. It's like we turn into our inner teen and we don't think about the consequences of our actions.

Yeah. It's so true. I mean, and to your point, time is such a precious resource for small nonprofits too, that even administering the grant costs time and resources, but also taking the time to go for it, it's costly.

And hopefully, you know, this is a whole other subject we could go into, but hopefully you're writing in some of those costs into your program budgets to account for administering a big grant like this. Or raising those dollars at the same time through other fundraising mechanisms to be like, this is like a pie and we have this missing piece and we need to like raise additional funds to deliver the work. Because now is the worst time to have to figure this out.

The best time to figure this out was like as you were applying and then coming up with a strategy for like, okay, so it's going to be a reimbursement base. How do we get some general operating cash injected in here so we actually can do this? Maybe that looks like a line of credit with your bank, but maybe it looks like a matching grant from another organization that's general operations or donations or something. Yeah.

I mean, that was going to be one of my, that was one of my thoughts as well, is that, you know, absolutely go for those grants, you know, maybe with some caveats, but another option would be a nonprofit loan or a line of credit, which exists for this type of purpose. Exactly. Yeah.

And that kind of leads into the next piece. They say they want to apply for a bunch of other grants quickly that will give funds in advance so we can cash flow it all. What's your take on that? I guess I'm going to be a little bit of a Debbie Downer on that, especially on the getting it.

That's okay. We're going to give the real advice. We're not here to just be fluffy rainbows and unicorns.

It's like, hey, let's answer this question for real. Yeah. I mean, the real truth is that getting grants just takes a lot of time, you know, on a base level, just from the time you apply to the time you hear back on whether you're going to get funds, that's usually like a three to six month process.

And then it can take like another couple of months just to get the funding. So it's unfortunately, typically just a very slow process. And then, you know, on top of that, I always recommend trying to have a conversation with the funder and build a relationship before you apply, just because you're going to have such a better chance of success that way, when you know a little bit more about them, they know about you, and you can gauge your alignment, because sometimes you just can't always tell from what's on a funders website, what they're really trying to do and the type of organizations they fund.

So, you know, with that in mind, it can take upwards of a year to get a grant. Yeah. And that's, you know, I think new organizations should know that not be discouraged by that.

So you got to plan for it. You have to plan for it. Absolutely.

And you have to have, you know, a bunch of prospects, knowing that they're not all going to pan out. Yeah. Well, I was going to say it's like sending invitations to a party or an event, like you're not going to get everyone RSVPing.

But I think it's actually a little bit worse than that, because you're really going to not get a lot of people RSVPing. Yeah, yeah. One thing that occurs to me with this is that I wonder if this listener has actually talked to the funder they have received an award from, because I feel like there is a thing that happens where people are so afraid of the funder, right? Because it's like it's a golden rule.

Whoever has the gold makes the rules. And we can be very like deferential to funders and like that as a whole other episode for like the toxicity and philanthropy and whatever. But I just wonder if they've even spoken to the funder about this to let them know, like, we're so excited to receive this award.

We didn't think this through. And since it's a reimbursement basis, we're going to be struggling to get this started. What do you suggest? Like, do you have any ideas? Have you worked with other recipients before who've been in this scenario? And just see what they say, because you probably have like a period of performance for this grant where it's supposed to start on this day and you have two years or whatever it is.

And like if you're spending a year going and applying for other grants, the clock is ticking down. And now this funder is going, why aren't you accomplishing anything? So just even having the conversation, I'm wondering if that could open the door to see what's possible. Like maybe this funder is willing to give them a small advance to like get them started, but you don't know, you miss a hundred percent of the shots you don't take.

I'm just making that up, not being a fundraising consultant. That's just my thought. What do you, you think that's legit? Absolutely.

I think that's a great point. I mean, I think generally speaking, you know, once a funder has invested in your organization, like that's when they really are on your team and want to be helpful and want to see you succeed. So I realized there is a power dynamic there, but I would encourage anyone to really think of it as a partnership where, you know, you are helping them achieve their mission too.

And so I think asking that question is a really great idea, Jess. And I think, you know, you don't know what possibilities or what advice they'll have for you until you ask. There's this old adage in fundraising about when you ask for money, you get advice.

And then when you ask for advice, you get money. It's a little overly simplistic, but I mean, the spirit of that is just that when you bring a funder along and helping you solve your problems, they're more likely to be supportive. And so I don't know in this particular situation.

Well, of course. Yeah. Who knows, who knows what this funder, but that's why I framed it as let them know what the problem is and let them come up with solutions with you rather than going in and asking for money.

Because if you say, I feel silly, we should have thought about this. I'm sure you're not the first. What would you suggest we do? Yeah.

Right. Like what have you seen work for other recipients in this kind of case? And they might just say, well, we can give you more time. You know, if you need to go raise some additional funds, or they might say we can give you money, or they might say, actually, there's this opportunity fund, or actually, we know recipients work with this particular bank to get low interest loans, or come at it with an open sort of like, what are the options here instead of foreclosing everything by asking for what you think is best and treat them like a partner.

Even other lawyers that I talked to think like you shouldn't talk to the funder. And as someone who was a grants officer in a national nonprofit for a long time, I'm just like, what? It's so weird that people think that. It's like, you can talk to your program officer, like it's gonna be okay.

Absolutely. It's literally their job. Yeah.

To help you. So the last part of the question, where they say they've been toying around with using CHAT GPT to write all our grant proposals. This could be a whole episode unto itself.

But yeah, I'm just curious, what do you think about this as a strategy? Because I will say from my experience, like CHAT GPT can be a very good copywriter. Or, you know, if your goal is to write in eighth grade English, it can be pretty compelling. But it can also sound like a robot did it.

Yeah, that's where I've struggled with CHAT GPT is just getting like the tone right. Yes, I agree. It can be a helpful tool.

I think it's not going to take away the time and effort of applying. It's not going to be able to do everything for you. You're still going to have to do a lot of editing.

Every grant question is typically different. And you know, there's still a lot of work and just really honing each question to the funders specific goals, which CHAT GPT is probably not going to be able to do for you. I have found CHAT GPT to be really helpful with like word counts.

Grants are kind of famous for having different word counts and character counts and it can just be a real headache to have to constantly... That's a whole other episode onto its own. Totally. So CHAT GPT can be great for just like, I need to shorten this to 350 words and shoot out a pretty good summary.

Yeah. So I think it can be helpful, but it's probably not going to solve your capacity problem. Yeah.

I think obviously like AI is fascinating. It's clearly going to be a huge part of life going forward. So you know, who knows what is going to be realistic, but like, it seems like having your sort of core documents, your case statement, your sort of like, who are we? What do we do? What's our value proposition? Having those, that like, when I was getting my master's in nonprofit management and we did our fundraising classes, it was all about like having a base that you work, that you pull from having like your best copywriting, your best sort of like case statement materials that you can then pull out and rework to meet whatever the funder's crazy thing is.

I could see a reality where you have developed like a really solid case statement set of materials and then say, CHAT GPT, here is our statement materials. I need to answer this question using this as our reference point and just use it as like an intern that does your first draft on answering the questions. I think that's valid, but what are you, you know, you're saving like two hours of intern flailing around time.

I mean, I don't think it's this listener's end-all be-all solution because again, they're bringing that sort of like fantasy, the optimism thinking that they can just like smash out a bunch of grant applications and get answers tomorrow and have money. And we've already covered that that's not realistic. So like, even if you shave a couple hours off of your application writing time, I don't know.

I also think that it's going to be interesting. I think we're seeing this with like teachers and professors where you can kind of like recognize when something's been written by CHAT GPT. I wouldn't be surprised that we start to see program officers where they're like, eh, this was written by CHAT GPT.

Like it's just, there's something in your mind that is just like, wah, wah, because it's like, oh, you didn't actually apply human effort to this. I think that's a whole other episode too. Just like, what are the psychographics of like making an application? And like, it's like if you have applied to a job and you have a typo in your cover letter, I'm instantly like editing.

I'm no longer sort of reading for comprehension. There's something that happens I think when people sense that this thing has been written by CHAT GPT that just puts you in like a different like, oh, I'm not really taking this seriously now. I think that's going to be very interesting as we move through time here over the next few years.

Yeah, it probably will be. Yeah, it'll be interesting to see, but I think you're totally right. I think CHAT GPT can produce a decent first draft, but you're still going to have to put in substantial work to put together all those grant applications, just the writing part, let alone, you know, attachments and uploading.

It's just a time consuming process. Yeah, absolutely. Yeah, this is a juicy question for sure.

Oh my God. I know you could come back like three times. We could just talk about all these other things.

Seriously. Yeah. Not to mention, I'm just skeptical of how much program officers even read to begin with.

You know, you've been on that side. They're putting it into CHAT GPT and saying, tell me if this meets the word count. Or summarize it for me in 150 words or less.

Right. Okay. So I feel like I've got a few takeaways here and if you feel like you want to throw one in, let me know.

But what I've kind of made notes on here is, first of all, you got to do your homework. Grant funding, it requires some due diligence. Research it, understand what your application needs to be, but understand what that award looks like when it's going to come and have a plan for how you're going to implement it.

You don't want to be surprised. And then I heard you say, be in alignment with your funder. Right.

We've all heard the people who are like, I'm going to ask Oprah for money. That's like a trope in fundraising. You can't just spam everybody and hope that it works out.

Like actually find funders that you are in alignment with, where you have shared values, shared outcomes, whatever. Figure out, does the funder want to fund a mission like yours? Do they fund organizations like you? And that is being in alignment with your funder. And then I think

copywriting and communications are paramount to grant funding because it's all about how you communicate about what you're going to do.

And is it compelling enough to get the funder to give your organization money instead of somebody else's? And then I think the third one that I had is sort of like grants are a long game. There's not a quick fix. There's no fast food grant opportunities.

There's no drive through grants. It's really a long game. You got to know that going in that the preparation, the application, the waiting, the processing, the contracting, the actual money hitting your bank, it all takes time.

And it is something that you don't have a ton of control over the speed of those things. Did I hit all the things or do you think there's anything else? Yeah, I think those are all great. That's a great summary.

And, you know, what I'm thinking about after the last point too is just how complicated it can be to navigate this process initially as a new organization. That's why it's so important to have different sources of revenue, as you already said. But also, you know, just understanding a little bit of grant strategy and implementing a few best practices can be really helpful.

So, I mean, I know it can be hard to invest in the time for learning or the time for consulting help when you're a new organization, but even just a little bit of, you know, doing a few like grants 101 classes, learning some grant strategy or how to plan around a grants program can be really helpful. Yeah, I was going to say, I think the heading on that one is have a plan. Have a plan.

Absolutely. Allison, you're amazing. If people want to connect with you and get a plan together so that they don't end up in this situation, where can they contact you? Yeah, so you can find me at my website.

It's just AllisonWelchConsulting.com. I'm on LinkedIn too, just Allison Welch. But yeah, those are probably the easiest ways to get in touch with me. And thanks, Jess.

I think you're amazing. Thanks for having me. Well, you know, we're both working with the little guys, so we got a lot of like BFF energy going on here.

Yeah, absolutely. We can help each other out there. Folks, if you enjoyed this episode, do me a huge favor.

Please share it with a friend. If you've got a new nonprofit that is thinking they're just going to get grants, quote unquote, share this episode with them. Rate us, review us, drop a comment.

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About the Author



Hi, I'm Jess Birken.

I'm the owner of Birken Law Office, I help nonprofits solve problems so they can quit worrying and get back to what matters most – The Mission. I'm not like most attorneys, I actually have an outgoing personality, and – like you – I like to think outside the box. Most of my clients are passionate and have an entrepreneurial spirit. I'm like that too. My goal is to help you crush it. Getting bogged down in the minutia sucks the joy out of the important stuff. My clients want to do the work – not the paperwork.

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