STAYING AFLOAT 
IN TOUGH TIMES

Alternative Funding Sources

The Range of Opportunities 
To Stay Afloat

I. Keeping the Funding You Already Have
II. Considering New Sources of Revenue
III. Looking at Alternative Funding Sources

I. Keeping Funding In Place

Concepts:

- Successful funding has two aspects - going after new funding sources, and keeping (or expanding) the funding sources you already have.

- Long term viability is dependent on going back to reliable and essential funding sources year after year
Simple Rules to Live By

▲ Make sure you spend the money in the manner you promised. Get funder’s approval for revisions to budget
▲ Provide a full accounting of the use of funds
▲ Get you audits done on time and fix audit findings immediately
▲ Prepare and submit all required reports in a timely and accurate manner

Simple Rules (con’t)

▲ Make sure all your work exudes competence and professionalism. Keep good records
▲ Give your funder confidence that you will never embarrass them. (Don’t be an AIG)
▲ Be an low maintenance grantee, not a pain

Tell Your Story

▲ Make sure your funders know about your success stories
▲ Do a special report or send pictures or a video of your big success story, especially if it solidly reinforces the mission of your funder
▲ Give your funder credit for your successes - in news stories, project signs, annual reports, communications, etc. Your and your funder are partners!!!
II. Considering New Revenue Sources

Breaking Out of the Comfort Zone

Beating the Momentum Problem

• Organizations often stay in their “comfort zone” in terms of funding sources and types of undertakings

• In hard times, there is a tendency to “hunker down” and become close-minded instead of thinking creatively

• Non-profits can be inhibited in terms of exploring new funding options due to lack of experience or expertise - and may need to seek guidance (technical assistance) in order to expand their horizons

New Revenue Sources

Thinking out of the Box

• Some non-profits such as NPCs often dismiss alternatives such as endowment funds, private foundations, social or community fund raisers, etc. These are traditionally dismissed by NPC’s because they tend to be a lot of work, and may require reorganizing the business model

New Revenue Sources

Think of New Goals and New Ways to Generate Revenue

• In hard times, look at your mission statement, and see if it is still relevant. Goals for good economic times may not make sense now, and new needs may have risen to the top (i.e. mortgage counseling or restructuring for existing homeowners instead of assisting new home buyers)

• Think about new ways to accomplish your mission, and ways of funding it
New Revenue Sources

Look at Alternate Revenue Generating Activities that Fit the Organizational Mission (and IRS requirements), Including:

• Administering housing programs for local governments (i.e. HOME, CDBG)
• Administering Section 8 Programs for local housing authorities/governments
• Acting as a developer or partner with a developer of low income housing to generate developer fees

New Revenue Sources

• Providing services for a fee to for profit developers of affordable housing
• Providing property management services for owners of affordable housing (HPD 7A program)
• Community survey and research work for local government
• Starting new services or programs such as mortgage counseling or a NY Main Street program

Seeking Free Staffing Opportunities

Look at alternate funding sources or resources that would not normally be associated with your organization or your programs

• Youth employment training programs to rehab houses (YCIP, Youthbuild)
• Americorps, Vista, Green Thumb or other community service programs to staff activities
III. Alternative Funding Sources
Research the Universe of Funding Available, and Pursue Likely Candidates

• Avoid to urge to quickly focus on one potential new funding resource
• Be methodical, look at the full range of opportunities, and filter out the ones that do not fit

Alternative Funding
Private Foundations:
The Foundation Directory
http://fconline.foundationcenter.org/
▲ Has a good search engine, but you have to pay for it. Suggest a one month subscription to do your research. NYC has the greatest concentration of charitable foundations of any place on the planet. See a library for possible free access.

Alternative Funding
General Fund-raising/Corporate:
Philanthropy Journal
http://www.philanthropyjournal.org/
▲ Lots of good insights into the world of fund-raising
Alternative Funding

Non Profit Fundraising & Governance:
The Chronicle of Philanthropy
http://philanthropy.com/

- Good source of a broad range of issues relevant to non-profit management

Alternative Funding

Local Foundations:
Community Foundation Locator
http://www.cof.org/locator/

Research which charitable foundations are located in your community and would be a fit with your organizational mission. You can create personal relationships with these small local foundations more easily that the big foundations, and you success rate will be higher.

Alternative Funding

Government Grant Programs - There are a wide range of resources including the following web sites:
• All Federal Agencies
  http://grants.gov/
• HUD - Home Page
  http://www.hud.gov/
• HUD Grants Available
  http://www.hud.gov/offices/adm/grants/fundsavail.cfm
• HUD Recovery Act Related Grants
  http://www.hud.gov/recovery/
Alternative Funding

- DHCR - Home Page
  http://www.dhcr.state.ny.us/
- DHCR- Funding
  http://www.dhcr.state.ny.us/Funding/
- DHCR Office of Community Renewal
  Home Page (HUD Small Cities Program)
  http://www.nysocr.org/default.asp
- DHCR Office of Community Renewal
  Main Street Program
  http://nymainstreet.org/

Alternative Funding

- NYS Housing Finance - Home Page
  http://www.nyhomes.org/index.aspx?page=1
- NYS Housing Finance
  Affordable Housing Corporation (AHC )
- Housing Finance Agency - NSP Program

Alternative Funding

Neighborhood Preservation Coalition:
http://www.npcnys.org/resourceguide.php

The Coalition website is a great resource. It has a wide range of links to Federal, State, and local resources, including both public and private sector funding sources. It is very easy to navigate and is a great starting point.
Alternative Funding

For Organizations in NYC, HPD is a Major Resource

HPD Resources for Rental Development & Ownership