

Tips for Grant Pitches

Know Your Funder's Mindset

For NGOs, the world of funders can be difficult to navigate. The question isn't just whom to approach for a grant. Equally important is how to make a successful pitch for money.

Funders approach their work with different mindsets and practices that fall into three distinct archetypes along a continuum of funding for NGOs' "true costs" – programmes, indirect costs, organisational development, and reserves. We believe NGOs stand a better chance of securing the grants they need when they understand which funder archetype they are approaching and tailor their pitches accordingly.

Know your funder

Start by doing some homework. Which of the following archetypes most closely describes each of your current funders and those you would like to do business with?

Programme Proponents

They believe that programme funding produces the results they value most for their limited resources. Hence, they minimise other expenses. As we found in our 2022 research, [*Bridging the Gap on Funding the True Costs of NGOs in India*](#), their grantees typically receive indirect-cost rates between 5 percent and 15 percent, and little or no support for organisational development.

Adaptive Funders

This segment adapts funding practices for select grantees to cover underfunded administrative and organisational expenses. They currently provide indirect-cost rates between 15 percent and 25 percent – with some flexibility to fund organisational development in select cases if an NGO makes a compelling case for impact.

Organisation Builders

This segment values the importance of funding the administrative and organisational expenses of NGOs to maximise programme impact and support an NGO's growth. They usually provide indirect-cost rates that can exceed 25 percent or are determined in conversation with NGO partners. They also invest in organisational development of grantees that need to function more effectively.

Unfortunately, across all funder archetypes, only a small minority of funders currently contribute to an NGO's financial reserves, or corpus. There is less data on what works here but tracking and communicating specific indicators of your financial resilience, such as number of months of reserves or size of operating surplus, may be a starting point to build a case for support.

Customise your pitch

Tailor your pitch to each of your funders' archetypes – considering both *what* you ask for and *how* you ask for it. The tips below reflect advice and promising practices we heard from NGOs and funders. However, please feel free to further adapt this guidance to your individual context and needs, as it is not meant to be rigidly prescriptive.

Programme Proponents

Approach these funders primarily for programme support but seek allowable indirect and organisational development expenses as specified by the funder. Over time, make a case for how these costs support programme success and sustainability, and communicate what your true costs are.

Tips for pitching Programme Proponents:

- Highlight how indirect costs and investment in organisational development can improve the outcomes and sustainability of specific programmes. For example, communicate how investing in organisational culture and management can reduce employee attrition and improve the quality of constituent/community experience or other programmatic outcomes; or communicate how investment in technology can facilitate programme reach and future scale.
- Share benchmarks and programme outcomes from peer funders who invested in indirect and organisational development costs.
- Explore potential for nonfinancial organisational development support on a case-by-case basis. For example, corporate social responsibility (CSR) programmes could volunteer domain or function expertise to help with specific NGO organisational development needs.

Adaptive Funders

Approach these funders for indirect and organisational development costs that are clearly linked to programme and organisational impact.

Tips for pitching Adaptive Funders:

- Present a clear assessment, with rationale, of indirect costs and organisational development needs and how these expenses would contribute to long-term, sustainable programmatic and organisational impact.
- Create a narrative linking the investment to a short-term boost in employee motivation or efficiency, and a long-term effect on the organisation's budget, reserves, and scale/depth of impact.
- Explore targeted funds for specific objectives that can be presented independently or as a part of programmatic grants (e.g. a sustainability fund, knowledge fund, or technology fund).

- Cite examples of how funders and NGOs have worked together to achieve greater impact after addressing indirect cost and organisational development needs, especially if the funder has moved from Programme Proponent to Adaptive Funder.
- For CSR funders who cite regulatory restrictions, point to official guidance and peer examples that clarify the absence of restrictions on indirect and organisational development costs.

Organisation Builders

Approach organisation builders for true costs – program, indirect, organisational development, and reserves – needed to build a stronger, more resilient organisation capable of greater impact.

Tips for pitching Organisational Builders:

- Pitch for unrestricted grants and targeted funds as needed. If you need help with assessing and reporting true costs, present your case for funding assistance to engage specialised external support.
- Assess and present outcomes and impact information, not just at the programme level, but also at the organisation level.
- Track and communicate your financial resilience status, including size of shortfalls in operating surplus or reserves.
- Collaborate with Organisation Builders to invest in narrating success stories to inspire and influence other funders.



While it is important to know your funder and pitch accordingly, what holds true across funder archetypes is the need to build a trusting relationship committed to honest and transparent communication. For NGOs who may be facing systemic barriers in fundraising, we hope the findings of our research provide some leverage in conversations with funders to ask for true costs and other support.

Our research indicates that funders across the board have hidden (or unstated) flexibility to provide nonprogrammatic financial support that furthers NGO impact. NGOs can tap into this hidden flexibility by communicating effectively and building credibility and trust with funders, laying the groundwork for the mutual respect that forges true partnerships.