

What Funders Really Want in a Letter of Inquiry

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Wednesday, August 03, 2005 - Michelle S. Payne

Over the years I have written countless inquiries to foundations and corporations seeking support for (in my view) extremely worthwhile projects. While not all of them led to grants, they are a critical step in building relationships with funders, and if crafted with an eye toward what funders really want to see, can pave the way for future funding.

While there is no single formula that will guarantee a successful letter of inquiry (LOI), there are a few things to always keep at the top of your mind when writing anything for a program officer:

1. **They are generally overworked – present short, concise documents that include easy-to-find information.**
2. **They are accountable to their Board of Directors – highlight results and impacts of your project.**
3. **They do not have unlimited budgets – tailor the request to the size of the donor.**
4. **They are people – don't be afraid to follow-up with a telephone call.**

The LOI process was established by most funders to help save time for both the program officer and the grant seeker. While at times it may seem a burden to create another document, it is something that a good fundraiser can use to great advantage.

An LOI should be short, no more than three pages (two is usually plenty). Program officers are looking for some key pieces of information as they review LOIs. Strategically **highlighting this information** will help to get their attention, and will make it easier for them to agree to continue the conversation.

First and foremost, they are looking for **the size of the grant** you are requesting. Even at foundations that appear to have more money than they could possibly know what to do with, program officers are constrained by budgets. Most program officers are already dedicated to paying multi-year grants approved in years past, or to supporting the next phase of current grantees' work. The pool of available funds for new grantees is often much smaller than it may appear at the outset. Be sure to **tailor the request amount to typical grant sizes for the donor you are working with**. If the foundation has an average grant size of \$50,000, do not ask for \$250,000. If the foundation has an average grant size of \$200,000, do not ask for \$10,000.

Program officers also need to see a connection between your work and their mission. Do the research to understand not only what the published materials say about the donor's mission, but also the most recent grants that they have actually made. These grants lists can reveal subtleties in the donor's interests that are not apparent from web sites or annual reports. This judgment call could help you approach funders that appear to be a stretch for your program, and can also keep you from wasting time with funders that will have no interest in your work.

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Another important piece of information to include in an LOI is the overall goal of your planned work. Program officers are increasingly pressured by Boards of Directors to show impact for the funding they recommend. The burden on them is high to ensure that the grantees they choose are able to provide the key information and statistics that will help them prove this impact to their Board. Whenever possible, **quantify your goals**, such as the number of people reached, the acres of forest protected, the action or result of a change in the law or policy.

The final piece of information that an LOI should convey is the impeccable qualifications of the organization and staff who will undertake the work. **Answer the questions “why is your organization uniquely qualified to undertake this project?” and “why is now the right time for the work to happen?”**

The template that I use when creating an LOI looks like this:

- **Introduction.** An introductory paragraph that includes the requested grant amount and also the full budget amount of the project. It includes a sentence that describes the project and the ultimate goal, and also a sentence that ties the project to the mission of the donor. If other funders have supported the project, I include that as well.
- **Goals.** The introductory paragraph is followed by active statements that describe what the program will accomplish. In some cases there is a single goal for the project, in other cases, there is more than one. Highlight each of them in turn, and provide two or three sentences of description about how you will meet them. Whenever possible, all of this should fit onto the first page.
- **Needs.** The goals are followed by one or two paragraphs that describe the need for the work. This is important, but in most cases, the program officer already understands the issue thoroughly, so try to **strike a balance between providing enough information to show your expertise, but not so much that the description of the need takes over the LOI.**
- **Qualifications.** The final piece is the qualifications of both the organization and the individual who will lead the effort. State the mission of the organization and provide a few sentences **describing the past work that shows the expertise.** Also identify the individual staff member who will lead the project with key biographical information to show why they are the right person to undertake the effort.

The main purpose of an LOI is to provide the right information to the program officer to help them determine if they are interested in learning more. It will provide the basis for a follow-up telephone call in which you will seek a meeting or an invitation to submit a full proposal. A well-crafted LOI can serve as a conversation starter with other potential funders. It can also be shared with your current funders to other projects to seek advice on how to develop the project and who else they know who might be interested. It is

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something you can give to your board members to help them better understand your work, and nudge them to help with fundraising efforts.

The letter of inquiry is the first in a series of documents that fundraisers must routinely create for funders. Creating them quickly and ensuring they contain the key pieces of information that funders are seeking will help to develop a successful fundraising program.

About the Contributor

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Michelle S. Payne is Director, Donor Advisory Services & Grants Management, at [Charities Aid Foundation of America](#). In this role, she is developing and promoting a suite of services for individuals, foundations, and corporate contributions programs wishing to support nonprofit organizations outside of the United States. She brings nearly 10 years of experience as a foundation and corporate fundraiser to this new position.

Prior to her career as a fundraiser, Michelle was an outdoor educator with the AmeriCorps program. She holds a BA from Allegheny College, and is in the final stages of earning an MPA in Non Profit Management from George Mason University. Michelle enjoys spending time with her children, and volunteers her time with her church, the Washington, DC Metro Area Chapter of the Association of Fundraising Professionals and as a member of the Alumni Council of Allegheny College.

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