



## DONOR FUNDING TO NETWORKS: NETWORK CASE STUDY G

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This case study is one of nine case studies capturing the experience and insights from a diverse set of networks about how they mobilize and manage funds. It is part of an in-depth research project undertaken by Collective Mind to help both donors and networks to improve funding to and fundraising for networks.

All case studies were developed by the respondents using a provided template and have been anonymized to allow us to share them publicly. Other research products – including nine case studies of donors and a "how to" guide for network funding and fundraising – are also available at [www.collectivemindglobal.org](http://www.collectivemindglobal.org).

Each network case study provides insights on:

- [The network's funding needs and sources](#)
- [How the network's funding needs are met](#)
- [The network's relationships with their donors](#)
- [The challenges and reflections of the network](#)

### NETWORK G PROFILE

- **Network (secretariat) location:** Colorado, U.S.
- **Geographic scope (of activities, members):** Colorado, U.S.
- **Network functions undertaken by the network:** Information sharing, filtering, amplification, and diffusion; knowledge generation, exchange, and management; problem solving and innovation; service delivery coordination; advocacy and policy influence; learning and capacity building; community building; thought leadership and field-building; investing
- **Number of members:** 148 individuals representing 44 place-based orgs and 24 partner organizations
- **Number of staff:** 2 full-time



## NETWORK FUNDING NEEDS AND SOURCES

### WHAT'S YOUR YEARLY (OR OTHER REGULAR) BUDGET?

It was \$186,000 for 2022 and growing with services and staff.

### WHAT DOES YOUR NETWORK NEED FUNDING FOR?

We need funding for staff for coordination, administration, and training and direct support to members. Our overhead is very low, but it's also very hard to come by funding from traditional federal funders for our work, so this need is real for many who don't work out of home or pro-bono office spaces.

### WHAT TYPES OF DONORS DO YOU RECEIVE FUNDS FROM?

We primarily receive funding from private foundations and local, state, and federal government agencies. We manage more than 20 grants to support our networks, which presents a unique challenge in that we spend a lot of time just managing funders' varying requirements. While fulfilling the backbone role in these complex initiatives, we are seeing that the fiscal sponsorship role is preventing us from providing true backbone support. In other words, funder compliance trumps true community needs in many instances.

### DO YOU HAVE CORE FUNDING OR ONLY FUNDING EARMARKED FOR SPECIFIC ACTIVITIES/PROGRAMS? HOW FLEXIBLE ARE THE FUNDS THAT YOU HAVE FROM DONORS?

Federal funds are earmarked to specific activities which has been a significant challenge. New foundation support is providing mostly general operating support with a set-aside for organizational effectiveness. Another foundation is providing a split of project and program operation dollars. Our conference profits also go into the general fund.

### HOW LONG-TERM ARE THE FUNDS THAT YOU HAVE FROM DONORS?

Agreements are usually one-year, which creates some stress, though we have been funded year after year through one of our main funders. We were fortunate to have the foundation funding provide a two-year award, which provided the stability needed to make the leap to a second full-time employee, and move from contract work to employment, in September 2021.

### DO YOU HAVE OTHER MEANS TO GENERATE FUNDING FOR YOUR NETWORK BEYOND DONOR FUNDING?

We have done a tiny bit of fee-for-service work with training and facilitation, but just as a cost offset from our members. I'm including federal grants in the donor category.



## MEETING NETWORK FUNDING NEEDS

### HOW DO YOU FUNDRAISE/MOBILIZE RESOURCES?

We don't have much of a strategy, but rather a priority for the Director's time. The board has had a fundraising committee in the past, but it was not active in 2021. I am good at leveraging dollars with one another. I focus on relationship-building and staying engaged and supportive to partners, including those who are existing and potential funders. I also connect with other similar networks and compare strategies and opportunities.

### ARE YOU ABLE TO MOBILIZE ADEQUATE FUNDS BOTH OVERALL AND FOR THE SPECIFIC TYPES OF NEEDS YOU HAVE? WHAT PERCENTAGE OF YOUR FUNDING NEEDS DID YOU COVER IN 2021?

We covered all our funding needs in 2021, but could mobilize a lot more toward direct member support if we could bring on one additional staff member and have associated project dollars. Specific needs are easier to fund, but it is hard to go after new projects the network would like to see when the Director spends a substantial portion of time seeking operational funds.

### WHAT ARE THE PROCESSES LIKE TO SECURE FUNDS FROM DONORS? WHAT ARE THE CHALLENGES OF THE APPLICATION, SELECTION, AND/OR NEGOTIATION PROCESSES?

The grant processes vary widely. I'll focus here on the foundations I've seen or been a part of. The applications have been much simpler than most federal grant applications and the funding agreements have been much more concise and clear. I like the invitation to submit once a relationship has been built, but for many, I probably never get the connection I need to begin developing a relationship. I have filled out the simplest application for the largest award I've received for our organization (\$150,000) and regularly see more complex local foundation grant applications for \$3,000 maximum awards. There are roundtable opportunities in Colorado to connect with donors, but the kind of funders that are interested in our statewide work and that provide larger awards don't seem to be at the kind of roundtables I've attended. I'd like to know better ways to make first contact with potential funders, specific to my area of work, and to be able to provide a quick pitch and see where it goes from there.



## REQUIREMENTS AND RELATIONSHIPS WITH DONORS

### WHY DO YOU BELIEVE YOUR DONORS FUND YOUR NETWORK?

I think they like what I've been doing and value the connections and knowledge I've been able to share with them. I think almost all of our current funders understand network concepts and are supportive of funding network coordination and development toward our members achieving greater outcomes in their communities, even if the line isn't always straight or easy to capture from network activities to outcomes.

### WHAT REQUIREMENTS OR CONDITIONS DO YOUR DONORS PUT IN PLACE IN RETURN FOR THEIR FUNDING?

They want us to do what we say we're going to do, be transparent, and share progress. Our federal grants have a ton of strings, timelines, and more detailed reporting as they are tied to projects rather than general operations. A final report including financials is critical and most want acknowledgement of their support in any press on our work related to their funding.

### HOW DO YOU MANAGE YOUR FUNDS AND DONOR REQUIREMENTS?

It has been a struggle to catch up accounting from several different systems with different treasurers and little specific training in non-profit accounting and a new system. We now use Quickbooks online, but are still trying to determine our best process for tracking accounts receivable/pledges for grants, invoicing expenses to them, and then booking them when they come so that everything balances out. We end up using an external spreadsheet in addition to our QuickBooks account to track all of our funds and a calendar to track reporting deadlines, though some of that just lives in my head right now, which is not ideal. We do have extensive financial policies and keep excellent records and checks and balances, but have not undertaken a financial audit or review beyond a couple of desk audits through one of our federal funding partners.

### HOW DO YOU TRACK ACTIVITIES, OUTPUTS, AND OUTCOMES FROM YOUR FUNDING? ARE YOU ABLE TO DEMONSTRATE OUTCOMES AND/OR IMPACTS FROM YOUR DONOR FUNDING?

For projects, we can track participation in activities and outcomes on the ground in terms of reach and impact. For our network connections and information sharing, tracking success is more challenging. To evaluate network effectiveness, we are working toward an annual member evaluation that assesses connections between members, tracks ripple effects from network connections, resources, and direct support to outcomes in communities, and collects member feedback on our network systems and structure.



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As we have striven to better solidify our network member value propositions, expectations, and systems over the past three years, 2022 will be the first year that membership has been defined enough to attempt a robust evaluation process during our springtime member renewal window. We have proposed this level of tracking with our foundation funders, so we will place a high priority on this with our membership renewals and engagement in the coming year.

## **WHAT DO YOU STRUGGLE WITH IN MANAGING YOUR DONOR FUNDING?**

Tracking and time management for various projects with so many mixed and matched sources all on different timelines get complicated. We are working through this, but it is much easier with more flexible funding. I have also really struggled with federal reporting systems, which are very cumbersome, time out frequently, and don't have metrics for network impact. I have not really done reporting other than email updates to my liaisons with foundations yet, so we'll see how that goes.

## **DO DONORS PLAY OTHER ROLES IN THE NETWORK BESIDES FUNDING?**

Our donors are excellent connections and I tend to treat them as part of our network, understanding what their needs and interests are and connecting them with opportunities or others when it seems prudent. Our first foundation partner must have in some way pointed the second funder our way, but I haven't gotten up the nerve to ask yet. We also got a notice for a foundation grant opportunity for a grant I'd never seen before, and I suspect that invite came from connections between the different foundations as well.



## NETWORK REFLECTIONS

### WHAT ARE YOUR KEY CHALLENGES IN MOBILIZING ADEQUATE RESOURCES? WHAT WOULD MAKE IT EASIER TO FIND AND MOBILIZE DONOR FUNDING?

As mentioned above, making first contact with foundation donors is critical. Second to that is having a pitch ready to go, and more than just an idea, but a clear understanding of the need and how our network can fill it.

### WHAT DO YOU THINK IS MORE DIFFICULT ABOUT FUNDRAISING A NETWORK COMPARED TO AN ORGANIZATION?

Our network is also a 501(c)3, which makes application and award processes easier, but it is really challenging to measure network success. With an organization that provides programs and services, you can just say “we do x and have y impact toward our mission”.

With a network, our connections, knowledge sharing, advocacy, etc. are typically many steps removed from the change we seek to make. I definitely think funding a network is more challenging, but it is the same challenge that many of my members face covering operating support vs. project- or program-specific support.

### WHAT DISCONNECTS DO YOU SEE OR EXPERIENCE BETWEEN WHAT DONORS CAN/WILL FUND AND WHAT YOUR NETWORK NEEDS?

I actually feel my foundation funders are supporting exactly what I need right now. They are much more flexible and respond to the needs they hear, especially compared with the agency funders I've been used to working with. With agencies, it takes years to bring about change in funding programs and there is rarely any flexibility. Furthermore, foundation support is incredible leverage toward other support.

### HOW ARE YOUR DONORS' REQUIREMENTS OR CONDITIONS EITHER HELPFUL OR PROBLEMATIC?

I did have a recent application that I thought was much more convoluted than necessary, but they provided a feedback question right at the end of the application. I think foundations are much more open to constructive feedback and it seems like asking for feedback on the grant application from applicants should be a standard best practice for any proposal based grants/donations.



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## **HOW WOULD YOU CHANGE THE WAYS IN WHICH YOU RECEIVE DONOR FUNDING? (E.G. AMOUNTS, SELECTION, DONOR ROLE, FUND MANAGEMENT, ETC.)**

Maybe I'd ask to have more extended timeframes, but I think foundations tend to consider more operating and longer timeframes once relationships are established. I'm just in my first cycle of managing foundation grant awards.

## **WHAT INFLUENCE DO THE DONORS HAVE WITHIN THE NETWORK?**

I haven't had any donors try to jump in and engage. I have had them help create new connections and ask novel questions, which are both extremely valuable. I think if a funder has a question about the way things are working, they should never be shy to ask unless it really borders on micro-management. Having new perspectives is a critical element of a healthy network.

## **HOW ARE YOUR DONORS MOST HELPFUL AND SUPPORTIVE OF THE NETWORK?**

Keep asking what we need and listening to the response.

**COLLECTIVE+MIND**

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