8 Major Sources of Funds for Nonprofits

The basic sources of funds for nonprofit organizations are:

1. **Individual donors** – This chart from Giving USA shows that individual donors make up nearly ¾ of all charitable donations in the United States. Based on this information alone, nonprofits should hold multiple annual friends raisers, continually build networks, expand online and mobile communications, and invest in tracking systems for individual donors. Make sure you spend quality time on this slice of your fundraising pie.

2. **Foundations** – There are both private and public foundations that can be a regular source of funds. A good starting place in the DC area is to visit the Foundation Center at 1627 K Street or [www.foundationcenter.org.washington](http://www.foundationcenter.org.washington) to search for organizations that might be a match for your cause. The typical types which support NPS include:
   a. Family Foundations – Foundations that receive endowments from families. e.g – Gates Foundation etc.
   b. Corporate Foundations – Foundations that receive endowments from corporate entities. There is a trend where corporate foundations are moving back under the forprofit umbrella and becoming more directly linked to advancing corporate goals and corporate social responsibility.
   c. Community Foundations – Community Foundations are typically associated with a specific geographic area and pool the donations of several donors who don’t want to set up their own private foundations. Community foundations seem to be on the rise as this article details [http://philanthropy.com/article/A-Strong-Year-for-Community/137187/](http://philanthropy.com/article/A-Strong-Year-for-Community/137187/)
3. **Bequests** – these are gifts also known as planned giving. A bequest is a planned donation left in the name of a nonprofit as part of a will. These donations tend to be larger and therefore the time and effort to establish the connection and commitment starts well before the individual’s end of life.

4. **Corporate giving** - NPS has seen corporate support in three major forms:
   a. Philanthropic – no strings attached donation similar to individual giving
   b. Event sponsorship – episodic or short term support typically event based
   c. Cause marketing – longer term thematic engagement

Remember to work with your park or program manager on the donor review requirements for corporate donors.

5. **Government grants and financial aid** – Government (at local, state and federal levels) offers grants and financial aid to a large number of nonprofit organizations every year. For example the US Department of Transportation Tiger Grants are open now through June. A vast listing of Government grants can be found at [Grants.gov](http://Grants.gov).

6. **Earned Income** – funds gained from various business mechanisms such as retail sales, license plate programs, property lease or rental, program fees, investment accounts, and others. Depending on the situation, these dollars can be a semi-stable and consistent source of funds for nonprofits.

7. **Federated Funds** - Federated funds are established by a grouping of individual nonprofits which join together to raise funds and support projects. The most well-known model is United Way. Federated Funds often give out grants or seek project applications to support.

8. **Fiscal sponsors/venture capital** – A new idea for nonprofit organizations which has been used by the for-profit world for generations – finding investors willing to support capacity costs or other programs of a new organization. To read an interesting take on this trend visit: [http://opinionator.blogs.nytimes.com/2012/06/27/fixes/](http://opinionator.blogs.nytimes.com/2012/06/27/fixes/).

Data and sources:
- NPS.gov/partnerships
- Giving USA
- Do Good Consulting
- The Chronicle of Philanthropy