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Providing nonprofit impact for funding needs

Proving your nonprofit's impact to funders

In this piece, we dig deeper into the information provided in Bonterra Program Management's Foundation Research Study, with analysis and best practices for reporting, data collection, and outcomes management.

Nonprofit organizations are in the business of creating an impact. To deliver on their mission, organizations require support. This support comes from volunteers, community members, and funding sources. No matter the vertical, community, or size, every organization needs more funding to provide better service delivery. But, it may be hard to know what funders are looking for during the application process. The most common question we hear is: "How can we receive more funding?"

So, what do funders want? Bonterra Program Management (formerly Social Solutions) recently released our Funder Research Survey to find the answer. Here's our assessment of the data.

Foundations want to know your impact

Funders want comprehensive data that proves your organization's impact. How you collect, assess, and present that data is crucial for getting more funding.

In our survey, we asked funders what they considered to be the top factors they use when considering funding an organization. Over 97% of the funders stated that the impact an organization can prove is at the very top of their list.

Further, funders are driven by their efforts to maximize the impact an organization can deliver to their community. As one funder said, "We look at outcomes [and] impact as well as what they learned [and] insights gained."

To prove outcomes and impact, funders require organizations to present strong data to back them up. Funders want as much information as possible that focuses on your

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impact and the effectiveness of your mission. They grant funding to organizations that can prove the good they do with data that has been collected and reported on.

But, an interesting trend rose from the funders in their answers on how they determine the effectiveness of an organization. Even though they focus on a nonprofit's impact, they don't expect the nonprofits to have perfect results. As one funder said, "Sometimes a project that fails is a success. We don't consider failure to be bad."

Positively impacting lives takes time and outcomes give funders insight into organizational alignment. Many funders "look at what the organization or program intends to achieve and whether they do. If they fall short of their objectives, [they] won't rule them out. [They] look at the data, analyze the factors that contributed to the results, and determine any changes that can be made. [They] will work with the organization during this review process and support a revised plan."

What kind of data funders want

Nonprofit organizations collect a lot of data and it may be hard to sort through that sea of data. But, it's important to lay out the data that the funders want and need to see.

When asked what the single best indicator funders consider when they are evaluating an organizations impact, 67% said they look to the outcomes.

Outcomes are important because they take a step back from the various outputs and data points you look at and apply overarching meaning to them. An easy way of looking at it is: outputs are the daily work your organization does, and outcomes are the results of our mission's efforts. The best way to see your outcomes is through robust, comprehensive reporting. As one of the funders surveyed said, "reports are the best way to determine if the organization is effective [in] its sector. If they achieve their short-term goals, in the financial and beneficiaries, we believe that is an organization that can do great things and move forward.

What funders are looking for in reporting

We asked our funders what they look for in reporting and over 87% of them answered that they look for program outcomes – not much of a surprise. They also value stories that display impact, according to our survey. Impact stories provide a real-world look at how your organization transforms lives, which inspires the listener and evokes an emotional response.

Often, nonprofits rely on one or the other to appeal to their funders, but combining stories and data is the most effective way to demonstrate your impact. This approach uses data to show scale and repeatability as well as stories to create a relatable experience and engage our memories.

Appeal to your potential funders by telling them inspiring, impactful stories outlining how your participants have benefitted from your services. The key to a good impact story is backing them up with data. Use the data you collect to prove the impact you've had on your community.

How to report data

How do you present your data to funders? The nonprofit sector is becoming increasingly more digital, making everything more fast-paced. With the ability to quickly transfer information, reporting practices inevitably need to follow suit and speed up.

In our survey, we asked our funders how reporting requirements have changed in the past five years. Over half of the group reported that the requirements they asked of the organizations have increased. Moreover, the same amount of people answered that reporting requirements are projected to increase in the next five years. To meet the growing reporting demands in the nonprofit space, organizations must ensure data quality, consistency, and accessibility. Meaning your data must be collected accurately with as little margin for human error as possible, must be consistent over time for month over month and year over year progress reports and in a format where you can access it for funder reporting and, of course, to make informed program decisions.

Benefits of case management software

Case management software, like Bonterra Program Management's Case Management solution, is a comprehensive tool that makes reporting what matters easier. It provides a secure, manageable way to collect data and assess it.

We asked our funders how they like to see your outcomes-based data when determining your impact. They overwhelmingly prefer to receive information in the form of impactful stories that demonstrate your role in your clients' treatment. With nonprofit reporting technology, you can easily track and look up the data needed for your impact stories. Stories and data go hand-in-hand and help deliver the full picture of your outcomes.

Case management software also allows organizations to provide visual displays of data, such as charts and graphs, another format that funders like to see data displayed. Easily digestible visual information puts your impact right in front of your funders, making their jobs easier.

Conclusion

Applying for grants and funds can be a daunting task, but you don't have to go in blind. Rely on your nonprofit's data, track important outcomes, and highlight your full impact. Bring strong data and inspiring stories to the table so your organization can get the funds it needs to deliver more mission.

With strong reporting and promising data, your organization will be well on its way to getting the attention of the foundations it's applying to. With more funding, you'll be able to deliver more mission and give care to those who need it most.