

Fundraising for Churches And Faith-Based Non-Profits



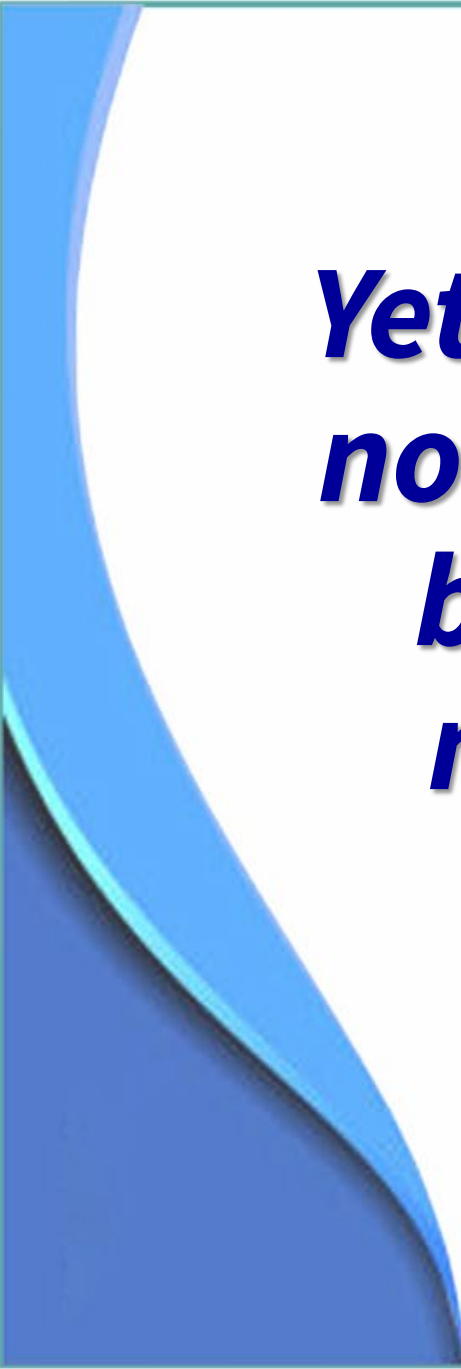
ALOHA!



***Fundraising for Churches
And Faith-Based Non-Profits***

***“Asking and
Receiving”***

Then He spoke a parable to them, that men always ought to pray and not lose heart, saying: “There was in a certain city a judge who did not fear God nor regard man. Now there was a widow in that city; and she came to him, saying, ‘Get justice for me from my adversary.’ And he would not for a while; but afterward he said within himself, ‘Though I do not fear God nor regard man, yet because this widow troubles me I will avenge her, lest by her continual coming she weary me.’ ” Luke 18:1-5



Yet you do not have because you do not ask. You ask and do not receive, because you ask amiss, that you may spend it on your pleasures.

James 4:2,3

***“Ask, and it will be given to you; seek, and you will find; knock, and it will be opened to you. For everyone who asks receives, and he who seeks finds, and to him who knocks it will be opened. Or what man is there among you who, if his son asks for bread, will give him a stone? Or if he asks for a fish, will he give him a serpent? If you then, being evil, know how to give good gifts to your children, how much more will your Father who is in heaven give good things to those who ask Him!*”**

Matthew 7:7-11

Cathy Alsup, CFRE, GPC

- President & CEO, GrantPartners Hawai'i
- Principal, Hope Partners Hawai'i (capital campaigns)
- Grant Professional Certified (GPC) certification, one of 426 GPCs certified in the U.S. and 3 certified in Hawai'i
- Certified Fund Raising Executive (CFRE) designation, one of 26 in Hawai'i
- Board of Directors, Grant Professionals Association (national), elected to serve 2026-2028



Chris Alsup, MDiv

- Pastor, Grace Church Kailua
- Grantwriter, GrantPartners Hawai'i
- Executive Director, Grace Place Hawai'i
- Director, Youth For Christ Military
- Community Chaplain, Good News Global (Jail and Prison Ministry)
- Travelled for 25 years with his own creative arts ministry



2025 Impact (and Counting!)



19 Organizations Served

Strategic grant partnerships across Hawai'i & beyond



91 Grant Applications Submitted

Federal, state, private, and foundation proposals



19 Funder Reports Submitted

Strong stewardship & compliance delivered



\$8.35 Million Secured

In grant funding wins (*and counting!*)

Agenda – “Asking and Receiving”

- 01 WHAT TYPE OF FUNDRAISING IS BEST? **Overview**

- 02 ARE YOU GRANT READY? **Needed Steps**

- 03 WHICH GRANTS TO WRITE? **Grant Funding Success**

- 04 SHOULD I NETWORK? **Collaboration**

- 05 CAN WE GET HELP? **AI, Grantwriters, Persistence**

01 – What Type of Fundraising is Best?

- 1) Annual Giving – What churches do every day, tithing
- 2) Major Giving – Requests for larger amounts, special gifts, relationship fundraising
- 3) Capital Campaigns – Building campaigns for infrastructure
- 4) Planned Giving – Gifts of bequests, appreciated stocks, real estate
- 5) GRANTS!

02 - Are You Grant Ready?

First Talk about Programs and Services - 5 Things Every Church Needs Before Applying for ANY Grants

- 1. EIN Employee Identification Number**
- 2. 501c3 Determination Letter**
- 3. Clear Mission Statement**
- 4. Program Plan**
- 5. Basic Budget**

501c3 Recognition

Key rule: Churches Automatically are “Treated” as 501(c)(3)

Under the Internal Revenue Code, **churches are automatically “treated” as tax-exempt 501(c)(3) organizations if they meet the basic requirements**, even if they never apply to the IRS.

That means:

- They **do not have to file Form 1023** to obtain recognition.
- They **do not have to get an IRS determination letter** to be tax-exempt.
- Donations are **still tax-deductible** even without formal recognition.

Because of this special rule, many churches operate without a formal IRS letter.

Estimated percentage with a formal 501(c)(3) determination

There is **no precise national statistic**, because churches that do not apply are not required to register with the IRS. However, nonprofit legal experts and church-law groups consistently estimate:

- **Roughly 60% of U.S. churches have their own formal IRS 501(c)(3) determination letter.**
- **About 40% operate under the automatic exemption** without applying.

Why many churches still apply anyway

Even though it's optional, most churches still seek formal recognition because it helps with:

- **Grant eligibility** (many foundations require the IRS letter)
- **Bank accounts and financing**
- **Donor confidence**
- **Sales tax exemptions or state registrations**

03 – Which Grants to Write?

- Private and Family Foundations
- Corporate Foundations
- Association and Society Funders
- State and City Government
- Federal Government

SMART Step 01: Identifying Funders Start With Prospect Research

- Who in this community is funding programs?
- Who do they fund?
- How much do they give out in average gifts?
- Who is on their board?
- What is timeline for meetings, giving?
- Find the application guidelines
- Who can be our champion?



Research Resources



My Four Favorite Resources:

- Free version of **GuideStar/Candid**. Click in the upper right-hand corner to Create Account. <https://www.guidestar.org/Home.aspx>
- Free version of **Foundation Directory** called Foundation Directory Quick Start. Click Get Started Now to register for a free account. Paid version annually (@\$1700/yr).
<https://fconline.foundationcenter.org/welcome/quick-start?>
- **IRS 990** Lookup, free. Go to irs.gov, under Tax Exempt Organization Search and type in the funders name. <https://apps.irs.gov/app/eos/>
- **Instrumentl** – monthly fee (@ \$500/mo), but strongest tool I've found for grant prospecting and grant management

How To Find Grants?

1 Foundation Directory (Most Comprehensive)

The largest database of private foundations is maintained by the Candid.

Website:

foundationdirectory.candid.org

Benefits:

- Search **thousands of private foundations**
- Filter by **state, program area, or funding type**
- Identify foundations that fund **faith-based organizations**

Many pastors don't know that **local public libraries often provide free access** to this database.

How To Find Grants?

3 Community Foundations

Local community foundations are often the **best starting place for churches.**

Community foundations frequently fund:

- youth programs
- arts education
- food security
- senior support
- neighborhood development

These grants are often **\$5,000–\$50,000** and are much more accessible for churches.

How To Find Grants?

4 Corporate Foundations

Many corporations give grants to local community programs.

Examples include:

- Walmart Community Grants
- Bank of America Foundation
- Target Community Giving

Corporate grants often support:

- food distribution
- youth programs
- community events
- disaster relief

These grants are often **\$1,000–\$25,000**.

How To Find Grants?

5 Denominational Funding

Many denominations have internal grant programs.

Examples:

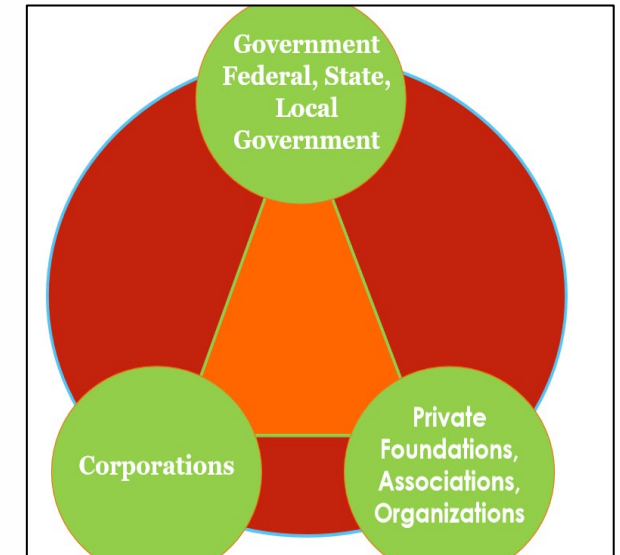
- denominational mission boards
- regional conferences or presbyteries
- church planting funds
- community outreach grants

These are often **smaller but easier to obtain.**

SMART Step 2: Prioritizing Funders/Opportunities

Return on Investment

- Corporations or Corporate Foundations
- Private Foundations
- Family Foundations
- Associations or Clubs
- Donor Advised Funds
- Government (City, State, Federal)



Grant Funding Success Rates – ON AVERAGE

Success Rates = # applications funded / # applied

- Average overall grant success rate of 34%
- Private funders average 30% success rate
- State and local government funders stand out with a 52% success rate, the highest across all categories
- Corporate funders have a lower 22% success rate
- Federal funders offer a 25% success rate
- Association and society funders are similar to private ones with a 28% success rate

04 – Should I Network?

- ✓ Collaborating with other organizations, churches
- ✓ Larger organizations have stronger successes

05 – Can We Get Help?

AI, Grantwriters, Persistence

- **AI in Grantwriting**
- **Hire a Grant Professional**
- **Don't Give Up!**

NUGGET:

Top 5 Reasons Why Grant Proposals are Denied



- 1) Your goals aren't the same as their goals
- 2) Your organization isn't ready for grant funding
- 3) Program objectives are not measurable
- 4) Budget problems
- 5) Not following the guidelines

DENIED

NUGGET:

Top 10 Tips to Bringing “Home” the Grant

- 1) Know the funder
- 2) Understand the process at their organization
- 3) Read the application form requirements and follow them
- 4) Don't think you can throw the proposal together last minute
- 5) Be honest
- 6) Learn how to write proposals
- 7) Use productivity tools/resources available
- 8) Have others help you proof your work
- 9) Plan to edit your proposal many times
- 10) Don't get discouraged if you get a NO



WRAP UP:

“Grant Smarter, Not Harder”

- ✓ **IDENTIFYING: Prospect Research**
- ✓ **PRIORITIZING: Grant Funding Success Rates**
- ✓ **ASSESSING: GO / NO-GO**
- ✓ **APPLYING: AI Can Be a Strong Productivity Tool**

Grant Writing for Churches ***“Asking and Receiving”***

Questions?

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