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Nonprofits' neglected need: Capacity-building grants

Philadelphia Business Journal - by [Peter Key](#) Staff Writer

Three nonprofits and the city of Philadelphia are using \$2.5 million in stimulus funds to help nonprofits in the region improve their ability to provide social services.

The nonprofits and the city were awarded the money last fall from the Department of Health and Human Services' Strengthening Communities Fund, which got \$50 million from the American Recovery and Reinvestment Act to give out two-year, one-time grants to nonprofits and government agencies nationwide.

The Philadelphia office of the Nonprofit Finance Fund and the Opportunities Industrialization Centers of America Inc., which is based in Philadelphia, each got \$1 million through the Strengthening Communities Fund's Non-Profit Capacity Building Program.

Family Services of Montgomery County and the Mayor's Office for Faith Based Initiatives each got \$250,000 through the SCF's State, Local and Tribal Government Capacity-Building Program.

Capacity-building grants aren't easy for nonprofits to get because funders, both institutional and individual, like to direct their money to specific programs or projects, said **Philadelphia Foundation** President R. Andrew Swinney. But they're important, Swinney said, because without the capacity to perform their mission, nonprofits can't do what they were set up to do.

A nonprofit's capacity isn't just determined by the size of its facility or the number of staffers it has. It's also determined by such things as how well the nonprofit's staff and board are trained and whether the nonprofit has the proper systems in place to use its money effectively.

Those things are particularly important for many social-services nonprofits in the current economy, Swinney said, because they are seeing an increase in the demand for their services and a decrease in their resources and so must learn to operate more effectively and efficiently.

"They have to figure out how to do what they do with less," Swinney said.

As part of the requirements for their grants, the Nonprofit Finance Fund and OIC of America must provide \$250,000 in cash and/or in-kind services. They also must give out 55 percent of their grants in capacity-building grants to social-services nonprofits selected through a competitive process, as well as provide those nonprofits with training aimed at helping them boost their capacity.

The NFF helps nonprofits build capacity through loans and grants. Its Philadelphia office was the only one to get an SCF grant, said Samuel Harrell, who was hired to direct the program funded by the grant.

Although it's only required to give out \$550,000 to nonprofits, the NFF is giving out \$600,000 in grants in two rounds. Last month, it selected 10 nonprofits to receive \$316,000 in grants ranging from \$24,000 to \$30,000. In December, it will select 10 more nonprofits, which will receive \$284,000 in grants.

One recipient of an NFF grant was the National Comprehensive Center for Fathers, which is using money and training from the grant to establish itself as an independent nonprofit. The Philadelphia organization, which provides fathers with a raft of training and counseling services so they can reunite with their families, was part of the **Greater Philadelphia Urban Affairs Coalition**.

"The NFF [grant] is a godsend to us," said Kofi Asante, the National Comprehensive Center for Fathers' chairman, president and CEO.

OIC of America awarded \$550,000 in grants ranging from \$30,000 to \$45,000 to 15 nonprofits in North, Northwest and West Philadelphia in May.

OIC of America is the national office of a nonprofit founded by the late civil rights leader Rev. Leon H. Sullivan that has 42 affiliates in 22 states and Washington, serving the poor, unemployed and under-employed, and young people.

The services it is providing to nonprofits in Philadelphia through its SCF grant are similar to the services it provides to its affiliates, said Jennifer Brower, who is coordinating the program funded by the grant.



Harrell

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Neither the Family Services of Montgomery County nor the Mayor's Office for Faith Based Initiatives have to give out any part of their SCF grants. Instead, they must use the money to provide free capacity-building services to nonprofits and to strengthen their ability to provide those types of services in the future.

Family Services of Montgomery County, which got its Strengthening Communities Fund grant as the representative of the county it serves, is working with 16 nonprofits under the grant, according to Alicia Verleysen, a community liaison with the organization.

The Mayor's Office for Faith Based Initiatives is working with 13 community and faith-based organizations in West Philadelphia, said Malcolm Byrd, who directs the program that is using the SCF grant.

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