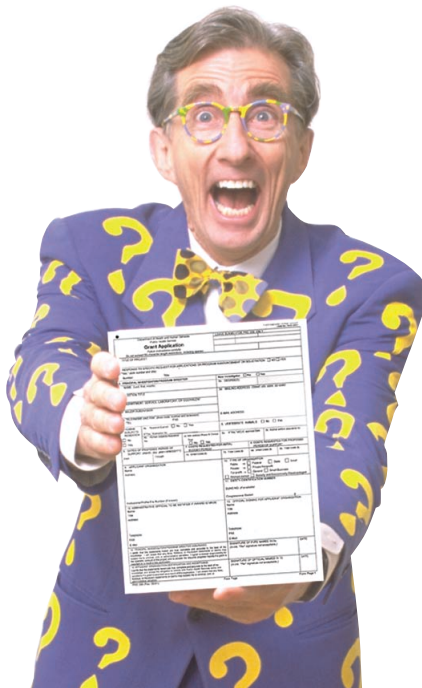


Lesko's 10-Step Program For

Writing a Winning Grant Proposal

5-pages Can Get You \$50,000

Learn What To Say To Get The Money...



BY MATTHEW LESKO

Author of over 100 books on free money including "Information USA," "Free Money To Change Your Life" and "How to Write and Get A Grant"

With Sarah Priestman

This book is a companion to Matthew Lesko's, "How To Write And Get A Grant Program"

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- ✓ **Home**
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- ✓ **Family**
- ✓ **Travel**

How to Write a Grant Proposal

Everything You Need to Create a Winning Proposal

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Is This Your First Time?

Is this your first time writing a grant proposal? If you are feeling a little nervous or uncertain, don't worry. That is common for most grant-writing newcomers. There are a number of reasons for this. There might be new terms and unfamiliar instructions – and on top of it all, you are asking for money. None of this sounds simple when you first get started. If you feel a little overwhelmed, you are not alone.

Rest assured, however, that writing a proposal simply involves following a series of steps, all of which are explained in detail here. And, in terms of asking for support, foundations and government offices want to hear from you. These people understand that it takes money to solve problems. They know that supporting certain projects helps meet the needs in the community. Therefore, they want to hear from you, as you might be the one who can help them use their funds most wisely. In fact, though it may feel like “asking” when you submit a grant proposal, you are really responding to their invitation to join them in solving a problem.

Finally, the most important step in writing a grant proposal is the one you have already taken, just by picking up this book. It's the step of being willing to learn how to get your ideas into a proposal. Congratulations! You are already on your way to writing a successful grant.

But I'm Not a Nonprofit Organization!

While it is true that the majority of grant proposals are submitted by nonprofit organizations to request support from foundations, corporations, or public funds, this book is useful for individual grant writers, as well. If you are an individual seeking support for a scholarship, a grant for private research, or funds for other projects that are not under the wings of a nonprofit, there are three things to consider as you look at this book:

1. Many organizations that fund individuals do so through an application process. For example, if your state government provides grant money to help you with your heating expenses, they most likely do not ask you to prepare a full proposal. Instead, they supply you with an application form that instructs you on how to provide the information they need in order to assess your request. In that case, you do not need to be concerned about proposal items such as a cover letter or an evaluation plan.

Keep in mind, however, that even if you are applying for assistance through a government agency, you will need to follow certain guidelines. Most agencies or programs have deadlines for their applications, and

many require you to include individual IRS tax forms, your social security number, a proof of address and other supplementary materials. You can find out about contact information, deadlines and materials required for government grants in the companion book, “How To Write and Get a Grant.”

Submitting an application form may be simpler than writing a full proposal, but you still need to be prepared and to have the right information. Many government agencies and other funding sources have people on their staffs who can walk you through the application process, so you should contact them and request help if you need it. And, if you qualify for funding from one agency, you may automatically qualify for another. You can also contact the agency or program to ask about other funding opportunities that might be available to you once your application is approved.

The bottom line is to ask for help when you need it. Contact the agency or program that provides the funds to make sure you understand the application requirements. And when you pick up the phone to call, remember these two important rules: first, the person at the other end of the line is there to help you, and second, “there are no stupid questions.”

2. In addition, some organizations that provide support to individuals may not require a full proposal, but they might ask for supporting materials. Perhaps you are a musician who needs money to work on your talent, and must explain your motivation. Or, maybe you hope to win a scholarship for a specific college, and the scholarship form asks you to describe your educational objectives. Though these are not examples of traditional proposals, they require materials, details and a writing style similar to the samples used for the standard proposals in this book. Therefore, the different steps described in creating a proposal provide useful guidelines for an individual proposal, as well. You can refer to each step and cut and paste the templates as you need.

Finally, if you are not a nonprofit, you might consider partnering with one to reach your goal. Or, you may wish to apply for nonprofit status. Information about partnerships is provided in the second section of this book. Details about applying for nonprofit status is included in “How to Write and Get A Grant.”

How to Use This Book

This book is divided into two sections. The first is called How to Write a Grant Proposal, and the second is called Foundations and Funding Sources for Non Profit Organizations.

Section One: How to Write a Grant Proposal

Writing a grant proposal is a matter of following specific steps. The first section of the book provides information about each of the steps, including samples for many of them. It covers the traditional proposal format, as well as how to write a shorter, “mini” proposal. It is also chock full of helpful tips and suggestions. This is the section to look at if you are familiar with foundations or government organizations and know where you want to submit your proposal.

Section Two: Foundations and Funding Sources for Non Profit Organizations

The second section of the book defines the different kinds of foundations and funding sources that will consider your grant. If you are not part of a nonprofit organization, this chapter also explores ways in which to

create nonprofit status or to partner with a nonprofit organization. This is the section to begin with if you are not familiar with foundations and funding sources, as the way you write your grant depends upon the foundation(s) you chose.

There is also a glossary of fundraising terms and a list of resources included in the back of the book. If you are reviewing guidelines from a foundation and come across an unfamiliar phrase, you can consult the glossary. The glossary is also helpful if you are filling out an application for a government grant.

Which Comes First, The Chicken or the Egg?

It is important to note that both of the sections are equally important in developing your proposal. Here's why:

You must identify the foundation, or other funding source, that is most likely to consider your proposal before you begin to write it. This is because some organizations only consider specific topics such as education or the arts, while others read proposals in a variety of areas. And, while some funding sources cover the whole nation, others are limited to a specific region or city. Therefore, if you do not know which foundations to consider, you need to look at the second section of the book.

It is also standard practice to apply to several foundations at the same time, but you must customize your proposal to the needs of each one. Do not send a blast e-mail of your proposal to a group of funding sources. The same rule applies if you are submitting an application to a government agency or if you are seeking individual support, such as an educational scholarship. You can use the same wording and information on different application forms, but do not copy a form that you have submitted to one funding source and submit it to another.

Once you choose the foundation(s), you can then learn about the ways in which they want to the proposal to be submitted. Some require an application form to be filled out, others provide guidelines for your proposal, and others ask you to follow the traditional proposal format that is explained in the first section of the book. When you know the kind of proposal required by the foundation you have identified, you can then follow the steps outlined in the first section.

Section One: How to Write a Grant Proposal

The Letter of Inquiry: Is This a Good Fit?

Sometimes the first step of writing a proposal begins with a “letter of inquiry” to find out if a foundation or funding source is interested in your project. Whether or not a letter of inquiry is required will be indicated by the foundation. If there is no information from a foundation about a letter of inquiry, it will serve you in the long-run to contact them and ask if they want to see one before you submit a full proposal.

Foundations often ask for a letter of inquiry before accepting full proposals because it allows them to choose projects that they want to pursue before receiving proposals. The process also saves you the time it takes to complete a full proposal that may not be of interest to the foundation, so, though it may seem like an extra step, there is actually a clear advantage to you.

The purpose of a letter of inquiry is to ask the foundation if they are interested in your project. But what, exactly, should you include in the letter? Some foundations and funding sources provide specific instructions for a letter of inquiry. If the one you are approaching does not give you a specific outline, use the following list to make sure you have included all the necessary information:

Checklist for the Letter of Inquiry

1. Name and address of the legal grant recipient organization
2. Contact person(s) and title(s)
3. Telephone and fax numbers
4. E-mail address
5. A summary of your organization’s mission
6. A description of your proposed project
7. A summary of your project goals, objectives, and measurable outcomes
8. A list of the key individuals responsible for the project
9. A list and brief description of project partners, if you have them
10. The time frame for the proposed project
11. A brief description of funds requested and a description of how they’ll be used
12. A statement regarding any prior funding you’ve received from the foundation

All the above should be included in a letter to the foundation that does not exceed 3 pages, plus any required attachments. Required attachments typically include:

1. A project budget
2. A year-to-date financial statement
3. A copy of your IRS tax-exemption letter.

For information on how to present certain items, or details on how to prepare the budget and financial statement, see the descriptions in the section called "Writing the Proposal: Ten Steps."

Here is a sample of letter of inquiry:

Jones Family Foundation
55 Funders Lane
Washington, DC 20008

Name of Sender
Professional Title of Sender
The XYZ Organization
Town
State, Zip

Dear Name of Contact Person,

The XYZ organization is a private nonprofit agency that has taken the lead in providing temporary shelter in ABC city. I am writing to see if you would consider a proposal to expand the employment and counseling services available to the youth we serve.

Our organization currently operates six shelters, and approximately 100 young people stay in our facilities each night. This is an increase of 30 percent from last year. Our major goal is to teach young people to seek some form of additional education, to become employed, and, where appropriate, to return home.

We believe our chances of accomplishing this would be improved by a trained staff member who could direct our residents to the education, employment, health and mental health counseling services available throughout ABC city.

We estimate the cost of this project the first year at \$ ____, of which \$ ____ will be provided by the cooperating agencies. We would like you to consider a proposal for the remainder, which totals \$ _____. If we can demonstrate that our service is effective, we would qualify next year for social service funds available through _____ agency.

We are approaching your foundation because of your past support of similar coordinated services to young people. We hope that you will give our project further consideration.

Would you also please mail me your application guidelines and any instructions for preparing a completed request? A copy of our 501(c)3 letter is attached.

Thank you very much.
Sincerely,
Name of Sender

Writing the Proposal: Ten Steps

This section provides two approaches to proposal writing. The first is the longer, traditional approach, and includes ten complete steps. The second is a shorter form, or a “mini-proposal.” It includes the steps of the longer proposal, but in fewer pages. The length and style you use depends upon the requirements of the foundation or funding source you have identified.

Again, it is important to check with every foundation to understand what they require in a proposal before you get started. Some provide an application or specific guidelines to the grant-seeker, and will not consider any other submission. If the foundation you are applying to does not provide you with an application or guidelines, the following outline provides the details of what to include in your proposal. Each of the ten steps is explained in detail, and most include samples.

Unless otherwise indicated by a foundation, every proposal needs to include the following:

1. Cover Letter
2. Summary or Cover Sheet
3. Qualifications of the Organization
4. Problem Statement or Needs Assessment
5. Program Goals and Objectives
6. Methodology
7. Evaluation
8. Budget
9. Long-Term Funding
10. Appendices

Step One: Prepare a Cover Letter...

“Allow Me to Introduce Myself”

Length: 1 page

Your cover letter introduces your organization and the project. It also explains why the project is a good match for the foundation. One of the main errors of any proposal writer is to forget to mention the reason why this project is relevant for the foundation. Make sure you research the areas that each foundation is interested in, and include a line or two indicating your knowledge of the foundation’s priorities.

For example, if you are seeking funds to buy equipment for a summer camp, you might say something along the lines of,



Step 1: Prepare a Cover Letter

"We are approaching XYZ Foundation for this support because of your commitment to youth and recreation."

Or, if you are developing a scholarship fund for students who want to take music lessons but are not able to afford the cost of the lessons, you might write,

"We understand from reading your annual report that XYZ foundation has an interest in the arts and education. Because of this, we thought you might be interested in reviewing this project, as it addresses both areas."

Step Two: Prepare a Summary or Cover Sheet...

"Just Give Me Five Minutes"

Length: ? pages

While the cover letter (Step One) introduces your organization and the project, the summary or cover sheet introduces the project as it is described in the proposal. It includes the goals of the proposal, the ways in which your organization will meet these goals, the total project cost, and amount requested. Everything in the summary is expanded upon in the proposal, so it needs to be brief.

The following sample summary is from a grant proposal for funds to use the Internet in an elementary school. As you can see, it introduces the project and the project goals within the first two sentences. The summary then explains how the school plans to meet the goals, and follows with simple budget information.

Here is a sample of a summary sheet:

The XX project is designed to incorporate the Internet into the sixth grade social studies curriculum at ABC School. The goals of this project are to provide students with access to a wide range of resources that they may use during a unit on the Civil War, and to teach students about using the Internet for research in the future. The students will choose an important figure from that time period, and they will create an in-depth report, speech, and presentation about this person. The final activity for this project will involve each of the students acting as a the Civil War character in a play that is presented to parents, community members, administrators, and fellow students.

The total project cost for this project is \$5,000. We are requesting \$2,500 from XYZ Foundation.

(end of summary)

How To Use This and Other Writing Samples

When you begin this step, you may want to use the above summary as a template. In other words, simply insert your project (in your own words) into the summary to fit your own needs. You can use this model with other samples included in the book. Here's how to do this:

1. First, replace the term "XX project" with the name of your organization's project in the opening line.
2. Follow this with the purpose of your project. In the sample summary, the purpose is to "incorporate the Internet..." Using the same terms, what is the purpose of your project? For example, is it designed to provide meals to the elderly? Will it offer reading instruction to children? Or, are you trying to raise funds for

equipment to help your community's volunteer fire fighting team?

3. Next, insert the goal of the project. It will relate directly to the purpose. Using the previous examples, the goal might be to provide 50 meals a day to house-bound seniors, train volunteers in literacy instruction, or acquire specific equipment to reduce the number of injuries related to fire and emergencies.
4. The way in which you intend to meet this goal is explained next. Using the same examples, you might be planning to meet these goals by creating a partnership with a church to prepare and deliver meals, initiating a reading program in your local library, or purchasing the specific equipment needed by the fire department.

Following the summary sample, you can now add the budget for the project and the amount of money you are requesting.

Step Three: Establishing Your Qualifications...

“Look at Me!”

Length: 1-2 pages

What kind of track record does your organization have? Why should the funding source support you? How can they be confident that you have the ability to accomplish the goals you described in the summary statement?

This step allows you to toot your own horn. Tell the foundation or funding source about how long you have been in operation, the number of people you have served, the recognition you have received, and other accomplishments. In some cases, your qualifications, or credibility, may have more to do with your being funded than the goals of the project or the amount of money you are requesting.

Your qualifications should include your organization's identity and purpose, constituents, and service area.

Here is a sample of establishing qualifications:

“Dial 123 Help-Me provides counseling services to people in crisis. Our constituents are individuals who call the ‘Help Me’ number when they are facing difficulties in their lives. Some callers need help with finding housing or medical care, while others require intensive counseling and specific referrals because they are living in situation where there is violence, or are considering suicide. Our organization is staffed by a team of trained volunteers 24 hours a day who answer an average of 50 calls from all over the state.”

Qualifications should also include long-range goals and evidence of support, including third party statistics. Using the above example, long range goals might be to “expand our outreach in order to increase the number of callers we can serve.”

And, an example of evidence and support using qualified third-party statistics could be stated as, “Our accomplishments are verified by the state department of social services. In 1999, they documented 25 clients who were referred to them by our staff, many of whom were able to find affordable housing or safe shelter as a result of the referral.”

You can also include letters of endorsement from associates in the field. These can be included in this section, or as an attachment, with a referral here. In this case, for example, the grant writer at the Hot Line might include a letter from the “state department of social services” verifying the value of the organization.

The qualifications section is also where you tell the funding source or foundation about the people in your organization. This includes the number of board members, fulltime paid staff, part-time paid staff, and volunteers. Talk about the kinds of things your board members do to help the organization. Provide qualifications and brief job descriptions of the key staff members and volunteers, as well.

Here’s a final thought for writing about your organization’s qualifications. Feel free to talk about how past accomplishments will support the project included in this proposal. In the above example, if the proposal is asking for funds to increase outreach, this is justified by the organization’s track record. They have reached a consistent number of people, so they must be providing a worthwhile service and thus should be reaching more.

Some of you may be just starting out, however, and will not have any track record at all. If this is the case, you can borrow credibility from other field experts through the use of project consultants, letters of endorsement, and supporting statistics. If the 123 Call-Me Hotline wanted to promote its services and place advertisements with its phone number when it began services, for example, the proposal writer could include letters from other crisis hotlines describing the need to advertise the number. Or, a letter could be written by social service counselors who request brochures with the number printed on them to have available to their clients.

Step Four: Problem Statement...

“Here’s What I See That Needs Fixing”

Length: 2-3 Pages

This is where you will present the specific situation, opportunity or problem that your proposal addresses, as well as the target population to be served.

It is sometimes a challenge to write this section, as the problem can seem so obvious to you. This is because you might be right in the middle of the situation you are trying to fix. If you are working at a soup kitchen, for example, and want to increase the number of meals you serve, the need seems clear, as you are there every evening when people are turned away. Or, in a less “hands-on” example, if you are interested in educating consumers about the need to recycle, the benefits may be clear to you – but in both cases, the person who reviews your proposal may not be as intimately connected with the issue. If you want to receive funding to help provide a solution, you need to educate the funding source about the problem.

The following sample provides a model of how to present the problem you are asking the foundation or funding source to help you to solve. As you read this sample, think back to the template in Step Two. In that step, you looked at how to insert information from your organization into the template to make it your own. You can do the same thing as you read the following sample, as it provides a model that you can use to frame the problem you are hoping to address.

The following sample is excerpted from a proposal submitted by a volunteer ambulance corps.

"The problem we are addressing is related to the number of deaths from highway accidents within YY county. Statewide, one person is killed every two hours from a traffic collision. YY county accounted for 70 deaths and 3,300 injuries in 2001 alone. When compared to ZZ county, whose population is 25% higher than our own, this becomes even more startling, as they suffered only 50 deaths related to traffic accidents during the same year.

What accounts for the difference in accident-related death rates in the two counties? One reason that many who are involved in the emergency medical field point to is the difference in equipment between the two counties. People are dying in vehicle accidents in part because of the outdated extrication equipment used by emergency teams in YY county. The rapid extrication of people trapped in vehicles is critical to saving lives, yet YY county - unlike Z county - does not have the most up to date equipment. Though there are always a number of factors in treating any accident victim, the difference in the number of fatalities in the two counties may be attributed to the difference in updated equipment.

Those of us who work in the arena of emergency medicine talk about the 'Golden Hour.' The term was first used in combat medicine, when doctors observed that soldiers treated within the first hour had higher survival rates than those who were forced to wait. The same holds true for accident victims, which is why having the ability to extricate them from their vehicles and transport them to medical facilities within the 'Golden Hour' is associated with a lower death rate.

The mission of YY county volunteer ambulance corps is to save the lives and protect the property of the citizens. The corps is made up of a team of well-trained volunteers who commit their own time to upholding this mission. We cannot provide the service that the citizens of this county deserve, however, unless the equipment we use is up to date. This proposal asks for funds to purchase the kind of extrication equipment that will allow us to save lives."



Step 4: Problem Statement

As you can see, the sample is simple and straight-forward. It introduces the problem (high death rate) with some background information (the rate of a neighboring county, and the importance of the "Golden Hour"), and includes the target population (citizens of YY county).

It is also a good idea to support the problem statement with qualified third-party research and evidence to justify the need or problem. This helps to demonstrate that a relevant, compelling problem or need exists. This proposal, for example, might also include letters of support from the local hospitals, fire fighters and police, as well as documentation verifying the role of updated equipment in saving lives.

Step Five: Describe the Program Goals and Objectives...

“Here is What I am Going to Accomplish”

Length: 1 - 2 pages

This is where you describe the outcome of the grant in measurable terms. It includes your overall goal(s) and specific objectives. Your objectives specify the outcome, or end product, of your project. Another way to think about this section is that when foundations support your project, they are literally “buying” your objectives.

Writing your objectives is a matter of providing answers to these five simple questions. Who? What? When? How? How? Or, to elaborate on the theme, your objectives will explain the following:

1. Who is going to carry out the tasks needed in order to fulfill the objective?
2. What are they going to do in order to meet the goal?
3. When are they going to do it?
4. How much will something change, or be impacted by the project?
5. How will the objectives be measured?

Here is an example:

The Western Hills Art Museum (who is going to do this) will increase the number of visitors (what are they going to do) during the next 36 months (when are they going to do it) by 20 percent (how much). The number of visitors will be tracked daily, and published in the State Assessment of Art Service Providers Report (how it will be measured).

The objectives should be very specific to the project you are writing about in the proposal. The objectives are not the overarching long-term goals of your organization, though they are included within those goals. In this case, the long-term goals of the Western Hills Arts Museum might be to increase attendance in general, enhance the public’s awareness of local artists, and provide educational tours of the galleries. This proposal, however, might only address the issue of increasing attendance over the next three years, so this would be the objective.

Your objectives also provide the yardstick you will use to conduct your evaluation. Therefore, if you write your objectives in specific, measurable terms, it will be easy to write your proposal evaluation because you will know exactly what will be evaluated.

Step Six: Methodology...

“Here is How I Plan to Accomplish This”

Length: 3-4 pages

At this point you have established who you are, what the problem is, and what you want to do in order to help solve this problem. Now it is time to describe exactly what you are going to do in order to meet your goal.

This is a good place to step back and make sure you do not confuse your methods (means) with your objectives (ends). In Step Five, you wrote your objectives. You described what will be done and when it will be

done. In Step Six, your methods explain how it will be done. This gives the foundation or funding source a clear picture of how their money will be used in order to meet the goals of the project.

The Methodology section should include the following:

1. A restatement of the problem(s) and objectives
2. A description of the activities that will address this problem and meet these objectives
3. The sequence in which you will perform or produce these activities
4. A description of staff (for example, teachers, counselors, police officers) that will be involved in the activities, as well as the clients served
5. A time line of the activities over the time period of the grant – one year, two years, etc.

Step Seven: Planning for an Evaluation...

“Measure My Success? No Problem!”

Length: 1 - 2 Pages

You are now down to the last few steps of preparing your proposal. Once you have completed the first six steps, the next few will probably seem fairly simple. Congratulations!

Step seven is a no-frills, straight-forward description of how you will measure whether or not the project is progressing along the lines you hoped it would. By now you have already said what it is you plan to accomplish with the funds you are requesting. All you need to do at this point is explain how you will make sure you have done what you told the foundation you would do. This is one of the ways they feel secure that their money will be used wisely.

The evaluation needs to include the plans you have for determining your success, the methods that will be used in the plan, and details on how the evaluation will be conducted. Begin the description by restating the goal(s) of your project.

Here is a sample evaluation plan from a grant seeking to fund software programs for a school computer lab.

“The goals of this project are to teach students to improve their writing skills and develop their own creative book reports, books, and web page designs using the new educational software. Students should also be able to reflect on their work and raise questions concerning their work.

The assessment technique that will be used is taken from the 123Learn series of computer-related activities for students. (Note: you can name the books, data collection forms and measurement instruments in your proposal) Teachers will present activities at the beginning of the year and at the end of the year. The differences will be used to determine the areas in which the children have made improvements.

In addition, teachers involved in the computer project will use the ongoing ABC Testing Tool to identify changes on basic writing skills. This test is designed to evaluate the progress of students over an academic year.

To be assured that the goals have been met, multiple measurement standards will be used. Teachers will track the number of spelling, grammatical, and structural errors in the children’s writing. And, critical thinking and analytical skills will be measured with the QRS Assessment Tool.”

As you can see, the sample states the goals to be measured, how they will be measured, and what the teachers will be observing. You can use this as a model for your own project.

Step Eight: Preparing The Budget...

“This is What I Plan to Spend the Money On”

Length: 1 –2 pages

How much will the project cost? This is where you tell the foundation or funding source exactly how the money you are requesting will be spent. If you are requesting \$6,000 to expand a program that delivers meals to homebound Senior Citizens, for example, you need to spell-out what the costs will be.

In the above case, you might be spending more on food. You will need to show an itemized cost. You can do this by multiplying the cost of a meal (\$3.00) by the number of meals you hope to add to your service (20). If this were your project, you would present an estimated cost of \$60 to serve 20 additional meals every week.

You may also have additional costs that do not occur to you when you first plan the project. Using the same example, you might need to think about whether preparing more food will require buying new pots and pan. Do you need to purchase a new refrigerator for storage? Do you need more delivery containers? You may need to recruit and train new volunteers, and provide gasoline vouchers for volunteers who use personal cars for delivery. These are the kinds of expenses you need to include in your budget.

Putting together a budget encourages you to examine all your costs, and may also alert you to a task you had not considered. For example, in the case of delivering meals to the homebound seniors, it would be easy to overlook the cost of recruiting new volunteers. But if this was your project, you might need to pay for advertisements, or post flyers in your community. Everything has a cost. If you do not ask for the funds to cover these expenses when you prepare your grants, you may have to use your operating expenses to support the new project, causing a financial drain on your organization.

Keep in mind that the staff members at the foundation have most likely reviewed hundreds of budgets. They are aware of how easy it is to forget to include certain line items, and they know that grantees will take up the slack if the proposal does not cover the costs. In fact, most of the people who review your budget will be concerned about how well you understand the costs involved in doing your project than they will be about the amount of money you are requesting. In other words, the way you present your budget gives the reviewer a feel for how well you will be able to manage your project.

Therefore, go over your budget with a fine-tooth comb. Have other people review it. Talk through the project with your associates. Ask them if they can think of any tasks that you have not put a price on. And, add up your numbers again and again and again. A budget with errors is a red flag for foundations and other funding sources, as it suggests you are not careful with finances.

Once you are ready to prepare your budget, you can divide it into two sections - Expenses and Income. Here are some suggestions of how to organize those sections:

EXPENSES

Divide the expense side into three sections:

1. Personnel Expenses
2. Direct Project Expenses
3. Administrative Overhead

Personnel Expenses

This section itemizes the expenses for the people who will work on the project. They may be employees of your organization, or independent contractors. If they are employees, show the title, the annual pay rate and, if the person will be working less than full-time or less than 12 months on the project, the portion of time to be dedicated to the project.

For example, if an employee will work half-time on the project from October through May, you can state it as follows: Counseling director ($\$25,000 \times 50\% \times 6$ months) = \$6,250.

You can also consider the time that other staff members contribute to the project when you prepare a budget, even if they are not directly involved. If the executive director has to supervise the counseling director as part of the project, for example, her time can also be listed in the budget as follows: Executive director ($\$40,000 \times 5\% \times 8$ months) = \$1,333.

And, if you are using employees for the project, don't forget to add payroll taxes (FICA, Medicare, unemployment and workers' compensation) and fringe benefits such as health insurance. You can include a portion of these costs equal to the portion of the person's time dedicated to the project.

For independent contractors, list either the flat fee you will pay (\$1,500 to design costumes for a play, for example) or the hourly rate with a total (for a curriculum consultant, $\$40/\text{hour} \times 40$ hours) = \$1,600.

Direct Project Expenses

These are non-personnel expenses that are directly related to the project. In other words, your organization would *not* have these expenses if you did not do the project. They can be almost anything: travel costs, printing, space or equipment rental, supplies, insurance, or meeting expenses such as food.

Remember that you must live with this budget. You can't go back to the funder and ask for more money because you forgot something. This is another reminder, therefore, to brainstorm about all the expenses you will have with your associates.



And, it is worth your time to make sure you have accurate estimates in this section. If you will be printing a brochure, for example, don't guess at the cost. Call your printer and ask for an estimate. Give them all the details you can, so you can do your best to get the funds you need. In this case, do not just ask for an "average cost" of a brochure. Instead, think about what you will need, and research the best estimate. Give the printer specifics such as, "2,000 copies of a two-color, 8.5x11 inch sheet of recycled paper, printed on both sides and folded three times." This will allow the printer to give you the real cost, which you can then list as part of the proposal in this section. This rule of thumb applies to all costs, not just to those associated with printing.

Administrative or Overhead Expenses

This section provides a list of non-personnel expenses you will incur *whether or not you do the project*. If you do the project, however, these resources can't be used for anything else. For example, if you pay \$500 a month for an office with space for four employees, you will most likely continue to rent the office even if the project is not funded. But if the project does get the funding you are asking for, one-quarter of the office space will be occupied by the project director. Because of this, you list the cost of one-quarter of your office rent, utilities and administrative costs, such as phone, copying, postage and office supplies in your proposal budget.

This an area that you may need to ask about, as some foundations and funding sources do not cover administrative expenses. Read the materials they send to you, or call them and ask. Also, some funders call this "*indirect expenses*." And, some will instruct you to charge a flat percentage of your direct expenses, while others will allow you to itemize.

INCOME

The income section can be divided into two sections:

1. Earned income
2. Contributed income

Earned Income

These are the fees that people give you in exchange for the service or product your project generates. Not all projects generate income, but many do. For example, a play that you are producing in a theatre will generate ticket income, and money will be earned at the concession stand.

When you list the anticipated income, include your calculations in the budget:

$$\text{Ticket sales } (\$10/\text{ticket} \times 3 \text{ performances} \times 200 \text{ seats} \times 50\% \text{ of house}) = \$3,000$$

Contributed Income

This section includes two categories: cash income and in-kind income.

Cash

Show cash contributions first and indicate whether each item is *received*, *committed*, *pending* (you've made the

request but no decision has been made) or *to be submitted*. Many organizations receive funds from local, state and federal government agencies as well as private foundations. You must include these as income in addition to funds coming from private foundations. In the budget below, for example, the city of Smithville (i.e. local government) is committing \$2,500.

Smith Community Foundation (received)	\$5,000
City of Smithville (committed)	\$2,500
Smith Sons Widget Corporation (pending)	\$3,300
Smithy Family Foundation (to be submitted)	\$4,000
Other foundations (to be submitted)	\$5,400

If you plan to seek funds from a number of other funders and know you won't get money from all of them, an "other foundations" line is an easy way to indicate how much *total* money you need to receive from all other sources to balance the budget. Funders expect you to request funds from a number of foundations, and it is good business to let them know about the other foundations you plan to contact.

In-Kind Contributions

These are gifts of goods or services. In-kind contributions are never in the form of cash. They can include donated space, materials or time. If you list in-kind contributions as income in your budget, you must also show the corresponding expenses. For example, if someone gives you something at a major discount, you would show the whole expense and then list the portion being donated under in-kind contributions. Here are some examples:

Expenses:

Classroom rental	\$1,500
Curriculum consultant	\$2,000
Teacher aides (4 x 40 hours each x \$5/hour)	\$800

In-kind contributions:

Smithville Community Ed. (classroom rental)	\$1,500
Jane Jones (curriculum consultant)	\$1,000
Parents of students (teacher aides)	\$800

In this example the curriculum consultant is doing the work for half-price, while the parents are volunteering as teacher aides.

In-kind contributions are important for three reasons:

1. They show the ways in which the community supports your project.
2. They show what you would have to spend without the community support.

You can show in-kind contributions in the budget, as above, or simply add a footnote to the bottom of the budget. Here is a sample of a footnote:

"This project will also receive more than \$3,000 of in-kind support from the school district, participating parents and various education professionals."

3. Finally, if you are in a matching grant situation, the in-kind income may be used as part of the match. For instance, if you are seeking a 50 percent matching grant for a project with \$10,000 of cash expenses, the most you can ask for is \$5,000. But if you add another \$2,000 of in-kind expenses, you can ask for a \$6,000 cash grant.

Before you use your in-kind contributions for a matching grant, however, check with the foundation with whom you are working. Foundations and funding sources have different policies on how much in-kind expenses you can use in your match and how it must be documented.

Step Nine: Future Funding...

“The Big Picture”

Length: 1 –2 pages

Some proposals request funds for a one-time project. Proposals for capitol improvements, for example, usually require support in order to get a building constructed, and then the project is complete. Proposals for equipment and supplies are usually a one-time request, as well.

Proposals for programs and services, on the other hand, raise the question of how the project will be supported once the current proposal is funded. If this is the kind of project you are raising money for, how will it be supported?

Remember, most foundations and funding sources don't want to support the same set of projects forever. This may not be true if the project cost is very small — less than \$5,000 for instance — or if a corporation is seeking public visibility by sponsoring the project.

The problem for grantseekers is that projects that are needed and effective and require grant support today will likely still be needed and effective and require grant support tomorrow. What the funder really wants to see is that you have a long-term vision and funding plan for the project. If you have a financing plan for future funding, briefly describe it here.

If you do not have a specific plan in mind, you may want to consider the following sources for long-term funding: membership fees, user fees, partnering with local organizations, direct mail and fundraising events such as walk-a-thons. You can also use continued proposal writing as a method of raising funds in the future.

Step Ten: Supplemental Forms and Attachments...

“Here's Everything”

The easiest step is saved for last. Additional attachments are usually required in any proposal, though you should check with the foundation or funding source to see what they request. Take a look at the following list. You probably have most of these on file, so pull these documents, copy them, and insert them into the back of the proposal.

- Verification of tax-exempt status (IRS determination letter)
- Certificate of Incorporation and By-Laws
- Listing of officers and Board of Directors
- Financial statements for last completed fiscal year (audited)
- Current general operating budget and special project budget
- List of clients served (if appropriate)
- List of other current funding sources and uses
- Biographies of key personnel or resumes (only if requested)
- Support letters or endorsements and
- Diagrams for equipment or schematics for building requests (if applicable).

If you don't have some of the requested materials, attach a note explaining why.

You can also attach general information about your organization, such as articles, newsletters, brochures or annual reports. If you have a lot of supplementary materials, consider adding a sheet that lists them in the order in which they are attached

You're Almost Finished!

Once you complete all the steps and assemble the different sections, you are almost ready to submit your proposal. Make sure the sections read well on their own. Once you read them as separate sections, assemble them as one full proposal and read them again to make sure they also read well as one complete proposal.

Once you are satisfied with the way the proposal presents your ideas, it is time to put them together in a proposal format.

Format and Appearance (Look Your Best!)

The proposal should be presented neatly, professionally, and in an organized package. The cover letter should be typed on letterhead from your organization, followed by the proposal and appendices, respectively. You do not have to include an index or table of contents, unless required. Type and single-space all proposals using a 12-point font.

Unless requested, do not bind the proposal; use staples or a folder to contain the submission. The proposal is judged on content and presentation, not weight. Make sure to submit the number of copies of the grant requested by the grantmaker.

A Few Final Reminders and Tips

- Always follow the exact guidelines specified by grant makers in their grant applications, Requests for Proposals, and guidelines, if the foundation supplies them.
- Always work to a timetable. Make sure you have the time to complete your application to meet the funder's deadline. If you don't have time to do it properly, don't compete for the grant.

- Make sure your proposal is proofread and checked by a spelling and grammar-checking program on your computer.
- Ask a colleague to read your proposal or application and to take notes whenever anything seems confusing. The less knowledgeable the reader is about your subject, the better. If your reader understands what your project entails, the grantor is likely to, as well.
- Find out about general trends or new ideas that currently interest the funder, and, if appropriate, refer to the ways in which your project reflects these trends or ideas.
- Give thought to the idea of partnering, as many funders give priority to look for applications where more than one organization is involved.
- Create a description of your organization, history, accomplishments, and goals so you can insert it – with changes, if needed – into all your proposals. Keep a file with standard information such as staff resumes and company statistical data regularly updated. Keep all electronic copies of proposals, as you may be able to revise some of them instead of starting from scratch. Having these kinds of things on hand will help you to concentrate on the specific information needed when it's time to apply.
- In addition to the copies you keep on your computer, always keep paper copies of everything you send to the foundation or funding source. Keep copies of their annual reports and guidelines, as well.

How To Get A Mini Grant

The proposal format described above is most appropriate for a problem-based project costing \$5,000 or more. If you are asking for a small amount of money you can put the entire proposal in a letter format with required attachments. Shorter proposals are also accepted for larger request by some foundations. Use the same outline, but keep it short.

This is often called a “Letter Proposal,” but your foundation may also call it a short proposal, or a mini. Check with your foundation to see what they require. It is usually two-to-four pages long.

An example follows:

Dear Foundation Staff Person's Name:

What follows is a proposal to receive funding for the Outdoor Education Lab at Mountain Top Elementary School in Mountainville, Oregon.

Goal: The goal of the Outdoor Education Lab is to further the science education experience of the students. Students will explore different local ecosystems by collecting samples and data in connection with the Outdoor Education Lab. They will share their findings collaboratively with their peers and instructor. We are seeking funds to purchase items that will allow students to share and view findings with the whole class in order to enhance collaborative learning.

Need: The benefits of collaborative learning have been well documented (Author name, 1995). Further, the importance of engaging students, even in 2nd grade, in authentic scientific practices is currently a major initiative in science education (Author name, 1992) It is essential that we provide students with an opportunity to collect data, analyze results, publicly present and defend their findings with peers. Currently, students have to make their cases and then let

other students all take turns looking through the same microscope. This becomes a daunting task. Further, students are never sure what part of the slide their peers are focusing on. Therefore, it becomes necessary to find some means of helping students to present their slides to the entire class can also allows the student to point at the actual samples when defending their arguments.

Benefits: Currently, collaborative learning takes place in small groups. Students collect samples from the Outdoor Education Lab and work in with individual microscopes to focus on and to complete the lesson objectives. One second grade class participated in a field day in the Outdoor Education Lab collecting samples of soil, pond water, and wetland plants. These samples were studied more closely in the classroom. While observing the pond water under a microscope, one student found a water "critter". Before the next student got to the microscope, the water "critter" had moved out of view. This is but one example of how using individual microscopes that are not hooked up to a monitor prevents students from sharing their observations with the whole class. With this funding, the school will be able to improve its science education. Teachers and students will use the television, the camera, the microscope, and the cart to provide whole class instruction. With a slide being placed under the microscope, and the image being projected onto the television screen, the whole class will see and will discuss one sample.

About the School: Mountain Top Elementary serves 250 students in kindergarten through sixth grade. The Outdoor Education Lab contains four major ecosystems to study: wetlands, pond life, local agriculture, and native woods. It is intended to provide hands-on learning for both students and teachers alike.

Grant Proposal: We are requesting \$2500.00 to purchase items that will further the hands-on experience provided by the Outdoor Education Lab. A list of items and costs would follow in an actual mini proposal, but they are not included in the sample.

Thank you for your time and consideration. Please contact Mrs. Mary Lou Cunningham with any questions you may have.

What's Next?

Once you have submitted your proposal, your job is to wait to hear from the foundation. Here is what is happening to your proposal while you wait:

In some foundations, the staff screens out proposals that are ineligible, poorly planned, or simply not within the organization's current focus. Staff then research the remaining proposals and write recommendations for the board. The research may include meeting with the applicants. Recommendations may go to the board with or without the original proposals. The board makes the final decisions.

In other foundations, staff members make decisions on smaller requests. In still other foundations, the board sees every proposal unscreened by staff.

Grantmakers with no paid staff typically do not have the resources to do a thorough review of each applicant. They tend to fund projects and proposals that are already familiar to their boards, perhaps through personal involvement or because an applicant has been recommended by someone they know and trust.



Good News!

How do you know if your proposal is accepted? If your proposal is funded, you may receive the check with a cover letter. Or you may get a full-blown contract stipulating, among other things, that you must submit a report when the project is done.

In all cases, write immediately to acknowledge the gift. If you sign a contract, be sure to read it first and note when and what kinds of reports are due. Then turn the report in on time. If you realize you can't do so, send a note or call to say it will be late.

Still Inching Along...

What if you get some funding but not what you wanted for the project? For example, if you had budgeted \$50,000 for the project but you could only raise \$35,000, you must decide whether you can do the project in a meaningful way with the money you have. If you can, you must write all those who funded

the project and explain how you will adapt to the lower budget. If you can't, write the donors to explain the situation and ask if you can transfer their money to another project (which you describe fully). They might say yes. If not, you must return the money.

Try Again

If your proposal is rejected, the letter giving you this unhappy news will probably be a form letter. But, you can phone and ask, "Can you tell me anything that will help us another time?" Perhaps they liked your proposal but just ran out of money; perhaps there was some tiny point of confusion that could be easily resolved.

Don't call the foundation or funding source if you are feeling angry, as you do not want to burn any bridges.

Here are the most common reasons that proposals are rejected:

- Lack of new or original ideas
- Diffuse, superficial or unfocused program
- Uncertainty concerning future directions or possibilities
- Unrealistically large amount of work
- Lack of an effective evaluation scheme

If you are rejected, but after an objective review of the funder's guidelines you still believe there is a match, apply again in about a year. Many applicants are only successful on the second or third try.

What's That Mean?

There are always unfamiliar new terms to learn in any new venture, and grant-writing is no exception. In fact, sometimes the most challenging part of preparing a proposal is trying to figure out what the foundation is asking for. The following glossary offers helpful definitions on grant-writing and fundraising terms. Not all of these terms are used by every foundation or funding source.

Glossary

Application: The formal document submitted by a potential Grantee seeking funds. The application is the most complete presentation of the project and is often the basis for the Grant Agreement. See also PRE-APPLICATION and GRANT AGREEMENT.

Audit (Financial): An examination of an agency's accounting documents by an outside expert. Upon review, the expert prepares an opinion as to consistency and conformity with Generally Accepted Accounting Principals. Audits are generally conducted after the end of the fiscal year. Some grant programs require an audit of grant funds at the end of the project.

Authorization is the legal authority upon which a program is based. Sometimes known as Enabling Legislation.

Beneficiary: A member of the target population for whom the grant was prepared. For example, a student attending adult literacy classes would be the beneficiary of a grant, while the school district would be the grantee. See also TARGET POPULATION, GRANTEE, and SUB-GRANTEE.

Bricks and Mortar: An informal term for capital funds generally used for building renovation or construction.

Brownfield: A property that has real or perceived environmental contamination. Often Brownfields are associated with abandoned, decaying urban properties. See GREENFIELD.

Challenge grant: A grant that must be matched with money raised by the recipient.

Drawdown: A drawdown is the method by which a successful grantee requests payment from the funding agency. Frequency of drawdowns, also known as draws, range from weekly electronic wire-transfers to a single lump sum payment at the end of the project. Quarterly drawdowns are very common.

Eminent Domain: The power of a public body to take private property for a public purpose. The agency that is doing the taking must pay just compensation to the property owner.

Enabling Legislation: See AUTHORIZATION.

Fiscal year (FY): A 12-month accounting period at the end of which the books are closed for an agency or governmental unit. Agency-wide financial audits are conducted after the end of the fiscal year.

Force Account: Paid labor donated by the grantee to a project to carry out all or part of the scope of work. The cost of this labor is not covered by the grant, but is part of the grantee's match.

Funder: See GRANTOR.

Funding Agency: See GRANTOR.

Funding Cycle: The schedule of events starting with the announcement of the availability of funds, followed

by the deadline for submission of applications, review of applications, award of grants, issuance of contract documents and release of funds. If funds are reappropriated or remain on hand after the first funding round, the cycle starts again. See APPLICATION, PRE-APPLICATION, and GRANT AGREEMENT.

Grant Agreement: A contract entered into by a grantee and a grantor. Typically based on the application submitted by the grantee, the Grant Agreement commits the grantee to carry out certain activities, within a stipulated time frame, for a specific amount of money. The Grant Agreement often refers to, or incorporates, regulations that govern the use of grant funds. It is important to note that the Grant Agreement may include more restrictive conditions than were proposed by the grantee or are required by law. The Grant Agreement may also be for less money than originally sought.

Grantee: The recipient of grant funds. Also known as Recipient. See GRANTOR and SUB-GRANTEE.

Grantor: The agency, foundation, or governmental unit that awards grants. Also known as Funder or Funding Agency. See GRANTEE and SUB-GRANTEE.

Greenfield: A property that has not been previously developed and therefore is considered to be environmentally clean. See BROWNFIELD.

In-kind: A non-cash donation of labor, facilities, or equipment to carry out a project. Typically, skilled and professional labor can be valued at the prevailing rate for the field. Work performed by a professional or skilled laborer outside of their field, however, is generally computed at some standard or minimum wage.

Letter of intent: A letter of intent expresses a grantor's willingness to commit funds to a project if other conditions are met. This letter allows the grantee to seek other funds without firmly committing the grantor to the project.

Leveraging ratio: The proportion of grant funds to funds or non-cash donations from other sources. For example, a leveraging ratio of 1:1 means that for every grant dollar awarded to a project, the grantee will secure one dollar from another source. The term implies that grant dollars are used to "leverage" other dollars. See MATCHING FUNDS.

Matching Funds: Some funding sources will pay only a percentage of the cost of a project. The grantee is required to pay the difference with money or non-cash donations from other sources. The non-grant funds are known as Matching Funds or the Match. See FORCE ACCOUNT, IN-KIND, LEVERAGING RATIO.

Not for Profit: An incorporated organization in which stockholders and trustees do not share in profits. Nonprofits are usually established to accomplish some charitable, humanitarian, or educational purpose. See also 501(c)(3).

On Spec: An informal abbreviation for "on the speculation". Consultants, including grant writers, architects, lawyers, and others, may do preliminary work "on the speculation" that if the project is funded more work will be forthcoming. The on spec portion may be done for free or at a reduced rate in the hopes of securing the additional work. This arrangement may raise ethical concerns with funding agencies.

Pass through: The act of a grantee receiving grant funds and dispersing those same funds to a sub-grantee. It is common for the Grantee to perform the Program Audit of the Sub-Grantee. A portion of the grant funds are often retained by the Grantee to cover the cost of administration. See AUDIT (PROGRAM), GRANTEE and SUB-GRANTEE.

Pipeline: An informal term for grant applications that score well, but fall just short of being awarded. If additional money is allocated to the program, or if funded projects do not materialize, a grant application "in the pipeline" may be funded.

Pro forma: Latin for "as a matter of form". A pro forma is a projected, proposed or hypothetical set of numbers for a project, typically the budget.

Program Income: Gross income or revenue generated by a project. This may include sale of real estate or equipment, rental income, fees, interest on loans, proceeds from the sale of loans, interest earned, and funds collected through special assessments. Program income may be subject to all of the conditions of the original grant award.

Recipient: See GRANTEE.

Request for Proposal (RFP): A solicitation by a grantor seeking applications from potential grantees. Also used by grantees to hire professional services.

Soft costs: Costs associated with building or renovating project exclusive of the labor and material cost of the project. Typical soft costs include architects and lawyers fees, closing costs, title searches, permits, and fees.

Sub-grantee: A recipient of pass through grant funds from a grantee and not directly from the Grantor. A subgrantee is held to all of the regulations of the original grant plus any conditions added by the Grantee. Also known as Sub-Recipient. See PASS THROUGH, GRANTEE, AND GRANTOR.

Turnkey: A project that is constructed by a developer and sold or turned over to a buyer in a ready to use condition. The buyer has only to "turn the key" to begin operations.

Section Two: What is a Foundation? (And Do They Really Give Away Money?)

This section provides the basic information about foundations. It also provides instructions on how to partner with a nonprofit agency, if you do not have nonprofit status yourself.

What is a Foundation?

Who are these people to whom you are sending your proposal? There are many types of foundations, and they are all in the business of granting funds (i.e. giving money away) to individuals or organizations. Because they want to target their funds to the best projects, they are interested in reviewing proposals just like yours.

It may surprise you to discover that foundations share the same 501(C)(3) nonprofit status that any non-profit holds. Foundations are one of the most complex components of the non-profit sector, and private foundations are subject to more stringent regulation and reporting requirements than other types of nonprofits. They file annually with the IRS through a form called the 990-PF, which is available to the public.

There are three classifications of foundations:

- Private Foundations
- Community Foundations
- Corporate Foundations

Let's examine each of these types of foundations separately.

Private Foundations

Private foundations include family foundations and independent foundations. Here's the difference between the two:

Independent foundations allocate funds using assets that are derived from a gift of an individual or family, but they are not controlled by the benefactor or their family members. They may bear a family name, but have independent boards of trustees and are managed by professional staff. Most of the large national foundations are independent, though many started out as family foundations. The Ford Foundation, The Carnegie Corporation, and the W.K. Kellogg Foundation are all good examples. Family foundations operate under the voluntary direction of



What is a Foundation?

family members. According to a report published in 1998 by the Foundation Center in partnership with the National Center for Family Philanthropy, there are 18,276 active "family" foundations, which at the time represented more than two-fifths (43.8%) of the nation's independent foundations. These foundations gave \$7.2 billion, surpassing corporate, community, and operating foundations.

Community Foundations

Community foundations receive and administer funds from private sources and manage them for charitable purposes primarily focused on local needs. In other words, if individuals want to support their community but do not want to oversee the funding themselves, they can donate to their community foundation. By IRS regulation, the governing bodies of these foundations are required to represent community interests.

Community foundations may not have the name-recognition of some of the larger private foundations, but they can be an excellent source of support. And, they are the fastest growing segment of the foundation world. Annual gifts from donors reached a record \$3.3 billion in 2000, and giving rose an estimated 21.5% in 2000, surpassing the giving of independent and corporate foundations.

Corporate Foundations

Corporations provide support to nonprofits through direct-giving programs, private foundations, or both. This two-pronged approach can sometimes be a source of confusion. Here are some of the elements that may help to distinguish between the two types of corporate giving:

Company-sponsored foundations have the following defining features:

- Company-sponsored or corporate foundations are private foundations under the tax law and derive their funds from profit-making companies or corporations.
- They maintain close ties with the parent company, and their giving usually reflects company interests and/or the needs of the region in which offices are based. The Metropolitan Life Foundation and the American Express Foundation are examples of company-sponsored foundations.
- They are often managed by a board of directors.
- They generally maintain small endowments and rely on regular contributions from the parent company and/or subsidiaries to support their giving programs.
- The company-sponsored foundation has the advantage of setting aside funds for use in future years when company earnings may be reduced, and the needs of charitable organizations are usually greater. In fact, sometimes annual grants are equal to or exceed assets.
- They must follow the appropriate regulations governing private foundations, including filing an annual Form 990-PF with the IRS.

Corporate direct giving programs

Corporate direct giving programs differ from corporate foundations because they are more involved in the day-to-day operations of the company. For example, they may be managed in-house by a member of the public relations staff, and the groups they fund often reflect the interests of employees. The defining features of corporate direct giving programs are as follows:

- They are not separately incorporated and do not adhere to private foundation laws or regulations or file a 990-PF form.

- They enable the corporation to deduct up to ten percent of its pre-tax income for direct charitable contributions (this includes giving to the company's foundation). The average percentage is close to one percent.
- They are often managed by a company's community or public relations department.
- They often limit programs of benefit to employees, their families, or residents of specific locations where the company conducts business.
- They are often used as a supplement by the company to support programs that do not fall under the guidelines of the company-sponsored foundation.
- They do not have an endowment, and they frequently include employee-matching grants and in-kind gifts as part of their grantmaking activities.
- As noted, company-sponsored foundations report to the IRS annually by means of the Form 990-PF. Unfortunately, it may be difficult to get information on direct giving programs of corporations, since no public disclosure is required.

How Foundations are Regulated

The IRS requires that independent and corporate foundations:

- Pay out at least 5 percent of the year-end fair market value of their assets;
- Pay an excise tax of 1 or 2 percent on their earnings; and
- Give money only to other 501C(3) organizations, with a few rare exceptions.

Nearly all community/public foundations are considered public charities by the IRS. As such, they are not subject to the same regulatory provisions as independent and corporate foundations.

Finding a Foundation: Where Do I Start?

Now that you have a sense of what a foundation is, the next step is twofold:

1. Identify A Foundation That Might Consider a Proposal From Your Organization
2. Identify a Foundation that Supports Your Need

How to Identify a Foundation

There are a number of resources that list different foundations and funding sources, but the best resource is the grand daddy of them all: The Foundation Center. If you have access to the Internet, the best place to look is at the Foundation Center website at <http://fdncenter.org>. This is the most up to date and extensive resource for researching foundations. There are new funding initiatives and other pertinent announcements posted on this website everyday (in all fields, not just education), so you would be wise to check-in on a regular basis.

If you do not have access to the Internet, you find publications from the Foundation Center at your local library. You can also call them at 800-424-9836 to order a list of the guides and materials they publish.

A foundation is worth approaching if it meets the following criteria:

- Expresses an interest in your mission, either historically or in a description of the kinds of programs it wants to support in the future.
- Funds organizations in your region.
- Does not exclude your organization- for whatever reason. This is especially important if you are without a 501(C)(3) status.

Identify a Foundation that Supports Your Need

Once you have identified a foundation that might have an interest in your organization, you also need to make sure it will fund the type of grant for which you are seeking support. Some allocate funds for seed money to get a program off the ground, while others provide operating expenses to keep a program running, or choose to support capitol improvement campaigns. Most grants awarded by foundations and corporate giving programs can be categorized as one of two types:

General Purpose or Operating Support Grants

An operating grant can be used to support the general expenses of operating your organization, from a specific program to the heating bill. Basically, an operating grant means the funder supports your organization's overall goals and trusts you to make good use of the money.

Program or Project Support Grants

A project grant is given to support the specific, connected set of activities as described in the proposal. The project has a beginning and an end, explicit objectives and a predetermined cost. When a funder gives a grant for a specific project, it is generally a restricted grant and must be used for that project. There are a number of program or project grants, which include:

Planning grants

If your organization is planning a major new program, you may want to research the needs of your constituents, consult with experts in the field, or conduct other planning activities. A planning grant supports such initial project development work.

Seed money or start-up grants

A start-up grant helps a new organization or program in its first few years. The idea is to give the new effort a strong push forward, so it can devote its energy to setting up programs without worrying constantly about raising money. Such grants are often for more than one year, and frequently decrease in amount each year. For instance, a grant might be for \$25,000 the first year, \$15,000 the second year, and \$7,000 the last year. The funder assumes that the new organization will begin to raise other funds to replace the decreasing start-up grant.

Management or technical assistance grants

Unlike most project grants, a technical assistance grant does not directly support the mission-related activities of the program. Instead, it supports the program's management or administration — its fund raising, marketing, financial management and so on. Such a grant might help hire a marketing consultant or pay the salary of a new fund-raiser position.

Facilities and equipment grants

Sometimes called "bricks-and-mortar" or capital grants, these grants help an organization buy long-lasting physical assets — a building, computer or van, for instance. The applicant organization must make the case that the new acquisition will help it serve its clients better. Funders considering a request like this will not only be interested in the applicant's current activities and financial health, but will also ask about financial and program plans for the next several years. They want to be sure that, if they help an organization move into a permanent space, for example, the organization will have the resources to manage and maintain it.

In-kind gifts

In-kind gifts include contributions of equipment, supplies, or other property, technical or other services, as distinguished from a monetary grant. Some funders may also donate space or staff time as in-kind support.

How to Partner With a Non-Profit Organization

If you think that partnering with a non-profit organization will increase your funding potential – and enhance

your program or service – here are some thoughts on finding the right partner.

First of all, the non-profit organization would be the fiscal sponsor of your program, which means they would receive the funds and disperse them to you. Potential partners might be clubs or organizations in which you are a member, local educational organizations, community colleges, or non-profit groups that you think might benefit from being involved in your project.

The first step in creating a partnership is to confirm that the organization has 501(c)3 status with the federal government. This identifies them as a tax-exempt organization, and is required by almost every private funding source.

The next step includes covering a number of topics with officers of the organization, and then writing down the agreements for all parties. The topics to explore are as follows:

- How long will the relationship last?
- Who is responsible for the record keeping required by the funder?
- How much autonomy will you be allowed? This one is important, as the project is a reflection on the organization as well as on you.
- If your project involves creating a piece of art, music, or writing, who will own the copyright?
- How will the financial arrangement be handled?
- What other types of support can they offer you?
- What else can you offer them? For example, will your project provide positive public relations, or expand their membership base?

Once you have explored these issues, you will be better prepared to create the kind of partnership that a foundation or funding source is seeking.

Conclusion

At first glance, writing a proposal may appear to be a complicated, time-consuming task. As with any task, however, once you take the time to understand the steps involved and prepare yourself with the information you need, it becomes much easier. This guide presents proposal writing as a series of steps, with templates, models and suggestions along the way. Continue to refer to it as you develop your proposal and you will find that you can create a winning proposal, step-by-step.

Here's to a successfully funded project!

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Grants aren't for people who want to sit on the beach. That's for Lotto players. Grants are for people who want to get out there and do something...

James Freericks of Washington DC received over **\$500,000** in government grants to travel the World

The Snyder Seed Company of Buffalo received a **\$200,000** Government Grant to make a rodent repellent out of hot chili peppers

Tori Stewardson of Virginia received **\$15,000** at 40 years old to finish her college degree because she was suffering from low self esteem

Ameritrade, the on-line discount broker, received a grant for **\$1,000,000** to setup an office in Annapolis, Maryland

A company in California called Beneficial Design received a grant for **\$49,937** to develop a web site on hiking trails

A women by the name of Arlene Fink received **\$99,867** to develop a new way letting the elderly know that they have a drinking problem

Linda Suydam received **\$216,000** to start a fishing business in Alaska (Perfect Storm)

Brett Stern received **\$175,000** to work on his invention, working on a machine the glues fabric together instead of sewing

Len Osborne of Colorado received **\$10,000** to take a computer course that took him from earning \$7 an hour as a nightclub bouncer to a \$50,000 year professional with benefits

Dorothy Heart of Texas received **\$40,000** grant to pay for her daughters hospital bill

Wendy Lesko received a **\$4,000** grant for her neighborhood volunteer tutoring service

Max and Morgan Lesko, as teenagers, received a **\$10,000** grant to work on a teen anti-smoking program

Cheri Olssen of Ogallala, NE received a **\$4,500** grant to help her pay for a truck to start a recycling business

Raymond Whitfield of Washington, DC at 68 years old received **\$20,000** to get a Masters Degree

Ronald Olszewski of Alabama received a **\$500** grant to fix up his car

Sandie Dotson of Houston, Texas received a **\$3,500** grant to cover closing costs for her new home

Linda Jacobs-Holcomb received **\$5,000** for speech therapy for her son

Ritz Camera received **\$75,000** for hiring new employees in Topeka Kansas

Amazon.Com received **\$1.6 million** to open a distribution center in Coffeyville, KS

George W. Bush **\$200 million** to build a new stadium that turned his \$606,302 investment into \$14.9 million

Dick Cheney **\$1.5 billion** from Ex-Im and **\$2.3 billion** in contracts

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For more information on Matthew Lesko's "How To Write and Get A Grant Program" contact:
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