Grant Writing II

Writing a Grant

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Grant Writing Basics
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The goals of this session are

- To provide an overview of the grant writing process once an opportunity is identified
- To outline the basic, common elements that are contained within most grant proposals
- To provide tips and insights to help make a proposal more competitive
Letter of Inquiry/Pre-Application

Many foundations and other funders have streamlined their grantmaking processes by adding a first step of a preproposa or letter of inquiry (LOI). Think of this like a job application...this is your chance to catch the funder’s attention so that they will be so intrigued they will want to hear more from you in a full proposal. Here are some thoughts and tips.

1. Growing trend among all grantmakers.

2. Saves design and writing time for applicant—testing the waters.

3. Saves review time for funders—shorter proposals, weeds out those that are uninteresting.

4. Adds time for approval—essentially two processes instead of one.

5. Project design basics need to be in place.

6. Catch their attention.

7. Establish a connection between your project’s goals and the grantmakers interests. Use the language of the funder to reiterate this point. Quote from annual reports, press releases and other publications.

8. The secret to a successful letter of inquiry is to condense, condense, condense. With often only a few pages of text, each sentence must be scrutinized when editing. Focus on detail, clarity, and conciseness. But also remember to convey passion for the project. A letter of inquiry should meet the following criteria:

   - Includes funder's name, title, and address
   - Is directed at the individual responsible for the funding program (if you don’t know, don’t hesitate to call the funder office and ask to whom a letter of inquiry should be addressed)
   - Provides a brief overview of the organization and its purpose
   - Includes the reason for the funding request
   - Includes the amount requested (if required by funder)
   - Describes the need the project intends to meet (including target population, statistics, example)
   - Provides a brief description of the project
   - Lists other prospective funders for the project
   - Includes thank you and next step to be taken
   - Does not exceed two pages (one page is recommended); or follow funder’s requirements
   - Includes name and phone number of contact at the organization
   - Is signed by the person who can speak with authority on behalf of the organization
Elements of a Proposal

Most grant proposals will have the same type of information within them. They may need to be organized in a different way, or they may have different names for the same type of information. For example, the needs section may be called "needs assessment" by one funder and "statement of the problem" by another. But essentially, the basic elements are similar.

The Dance of Proposal Writing

If you are a very linear thinker, you may find preparing a grant proposal very frustrating. It is virtually impossible to simply begin at the beginning and complete on element at a time in a logical or sequential order. Rather, with design and adjustments to any one element, a corresponding tweaking is usually required in one or more of the other elements. For example, if you find that your design or methodology begins to cost too much money as you work on the budget, you will have to return to the methodology section to make adjustments, and this may require adjustments to the needs section and the evaluation section...and so on. Think of it as a large tapestry where threads are woven throughout the entire proposal. Accepting this at the start can help ease the frustration.

In essence, designing a quality proposal requires a delicate dance between each part of the proposal, between the staff and volunteers who have a stake in the design, and with the funder and their priorities. Keep your proposal fluid up until you are ready to pull all the pieces together for submission.
Look to the RFP of your funding opportunity to gauge your format, order and length of the document. Tips and information provided from this point should be adaptable to any format.

Many Minnesota grantmakers are now requiring the Common Grant Application form. You can download that at: http://www.mcf.org/mcf/grant/application.htm

The typical order of elements in a completed proposal follows a logical sequence for the reader (some variations may apply):

- Cover Letter
- Summary
- Qualifications of the Organization
- Needs Assessment
- Proposal Project Goals & Objectives
- Methodology
- Key Project Staff
- Relationship to Funder Priorities
- Evaluation
- Future Funding
- Budget and Budget Narrative
- Bibliography
- Appendices

Again, don’t be surprised if the funder you are looking at has different names for these elements, the essence of the content is the same.
ORGANIZATIONAL BACKGROUND-QUALIFICATIONS

or Introduction to Organization, Organization Background, Corporate Resume

This section describes the applicant agency and its qualifications for funding and establishes its credibility. The programs and accomplishments of the organization will be examined in light of how it addresses current demographics, social issues, specific constituencies, etc. In addition to convincing the funder of the extent of the need for the proposed project, you must also demonstrate that yours is the appropriate agency to conduct the project. In this section, the organization should demonstrate that it has the means and the imagination to solve the particular problem or meet the need.

A proposal will often sink or swim based on the need for the project and the project methodology, not on the accomplishments of the overall organization. Therefore, an agency should not make the mistake of devoting half of its proposal to the history or programs of the agency. However, even if you have received funds from this grantmaker before, your introduction should be complete. This is also true because funders sometimes hire outside proposal reviewers who may not be familiar with your organization. The qualifications of the organization section should meet the following criteria:

- Clearly establishes who is applying for funds—include your vision and mission
- Briefly addresses the rationale for the founding of the organization
- Describes applicant agency's purposes and long-range goals
- Describes applicant's clients or constituents and impact on their lives
- Geographic community served, population, income, etc.
- Availability of services to your clientele
- Types of special programs or services you provide
- Brief history of program growth and change
- Your experience in implementing new services or programs
- Results of any evaluations you have conducted
- Provides evidence of the applicant's accomplishments
- Offers statistical support of accomplishments
- Offers quotes/endorsements in support of accomplishments
- Supports qualifications in area of activity in which funds are sought (e.g. research, training)
- Describes qualifications of key staff members
- Provides other evidence of administrative competence
- Leads logically to the problem statement
- Is as brief as possible
- Is interesting
REMEMBER—you will elaborate on many of these items in subsequent sections—here is just a brief overview.

**Program Goals and Objectives**

This section of the proposal describes the outcomes of the grant in measurable terms. It is a succinct description of what the organization hopes to accomplish with the granted funds. Program goals and objectives should meet the following criteria:

- At least one objective for each problem or need committed to in the problem statement
- Objectives are outcomes; Objectives are not methods
- Describes the population that will benefit from the program
- States the time by which objectives will be accomplished
- Objectives are measurable and quantifiable (if at all possible)

Try and differentiate between your goals and your objectives - and include both.

**Goals** are the large statements of what you hope to accomplish but they are not always very measurable. They create the setting for what you are proposing; they are the description of what the world will look like when you have completed your work.

A **Goal** is a broad statement that describes a desired outcome. Goals are long-range and very general. **Elements of a goal statement**

1. The affected population or user group
2. The effect to be achieved
3. The means by which it will be achieved

A goal should focus on **outcomes**: how a situation will be changed as a result of a successful project, not what a project will do.

**Objectives** are operational, tell specific things you will be accomplishing in your project, and are very measurable.

Objectives are measurable results or targets to be reached on the way to a goal.

An objective is a milestone that measures your progress toward your goal. **It is a result, not an activity.**

- Your objectives will form the basis for the activities of your project and will also serve as the basis for the evaluation of your project.
- There should be considerable overlap between the goals and objectives for your proposal and the goals and objectives of the funding organization. If there is not a strong overlap of goals and objectives then it might be best to identify a different funding organization.
Needs Assessment
or Problem Statement, Need, Situation

A Needs Statement is a description of the situation or problem that your proposal will address.
1. It describes the problem clearly.
2. It provides supporting evidence.

Because the needs statement provides the context for your proposal, it should focus specifically on the problem you hope to fix, or the situation you hope to change with the grant money.

When seeking funds, a specific problem area or need should be addressed. This is where you paint the picture of need in your client population. For every problem you define, you will need to develop a corresponding goal and objective.

One of the prime ways that you can fail as a grant writer is to provide inadequate documentation of the need. Needs documentation is at the core of grant writing.

Information based on objective research, not subjective impressions, should be provided to justify the need or problem. This data, however, should not be voluminous, but sufficient to demonstrate that a problem or need exists. A problem statement or needs assessment should meet the following criteria:

- Describes the target population to be served (Sometimes, funders require this as a separate section)
- Defines the community problem to be addressed and the need in the geographical area where the organization operates
- Is related to the purposes and goals of the applicant agency
- Is of reasonable dimensions - not trying to solve all the problems of the world
- Is supported by relevant statistical evidence
- Is supported by relevant anecdotal evidence
- Is supported by statements from authorities
- Is stated in terms of clients' needs and problems - not the applicant's
- Is developed with input from clients and beneficiaries
- Is not the "lack of a program", unless the program always works
- Makes no unsupported assumptions
- Is interesting to read
- Is free of jargon
- Makes a compelling case
Some relevant information to include in a needs assessment:

- Census data, by census tracts
- Crime rates, juvenile and adult
- Housing conditions - age, ownership, density, vacancy
- Single parent families, teenage mothers, etc.
- Unemployment statistics, by race, age, and gender
- School drop-out rate, school performance on standardized exams
- Income levels, family incomes
- Community services (or lack thereof) - recreation, sewer, water, sanitation, solid waste disposal, zoning, police, fire, transportation, education (adult & youth) public health
- Economic characteristics - major employers, consumer services, mobility of families, etc.
- Ethnic characteristics of the community, race, national or regional origin, housing patterns by ethnic distribution

In some instances it may be difficult for you to maintain current statistics on your clientele. However you should make every effort to document the need for your services. You can often get assistance from:

- County Planning Commission
- County Office of Development
- City or county grants officer
- City or township block grants (revenue sharing) administrator
- Intermediate School District grants coordinator (or Federal/State Program Coordinator)
- Office on Aging
- Regional Planning Commission
- United Community Services (United Way)
- Your legislator - federal & state
- Local elected officials - county commissioners, mayors, township supervisors
- Specific information form MESC, Juvenile and Probate Courts, Police Department, County Prosecution, Health Department, Unions, Chamber of commerce.

The world wide web
Other Methods to Support Your Need

**Letter of Support:** Individuals who are very knowledgeable about the issue you face can write a letter of support. This can include elected officials, experts, or people in the client population. Letters of support put a human face on the problem that you are addressing.

**Case Studies:** A case study is an in-depth profile of one person in your client population. The case study looks at indices like family history, health concerns, and job performance to better understand the individual. A series of case studies of different individuals can be woven together to tell the story of your client population.

**Vignettes:** A smaller version of case studies—a brief description of one client or one experience that demonstrates your point. A vignette usually adds an emotion, human element that can soften an academic or statistical presentation—but it should be brief.

**Review of Public Records:** Countless public agencies gather and disseminate information. Often the agency that has gathered the information will prepare an analysis that you can use to support your grant application. Other times, the information is merely collected and made available for researchers.

**Literature Search:** Professors, professional researchers, journalists and students all prepare and publish reports on every aspect of the human condition. A search of the published literature in your field may yield a gold mine of information regarding the issues that your needs population faces. The Internet is a boon to this type of research, giving you instant worldwide access to studies, papers, and journals. Be certain to document the literature you use in a bibliography and give proper credit to research and quotes within the narrative.

**Survey:** A survey is an analysis of your client population based upon a statistically significant random selection. Using very carefully worded questions and a rigorously executed methodology, a survey can yield surprising results. You may want to include a copy of the survey instrument in the attachments section of the proposal.

**Evidence of Demand:** Your own files may hold an important piece of evidence. Long waiting lists for your programs are evidence of demand.

The goal of all of this work is to develop a library of information regarding the people that you serve. From this library, you can cut-and-paste data from one grant to the next or from one year to the next.

The result is a ready arsenal of information enabling you to respond to grant opportunities quickly. From this stockpile of data, a clear picture of your target area should emerge. You should use this data to develop programs. Any program that hopes to find funding must be based upon the needs of your community.
Methodology

or Activity Plan, Project Plan, Program Activities, Project Description, Work Plan, Strategies

This section describes the activities or strategies to be conducted to achieve the desired objectives. It also includes the rationale for choosing a particular approach. Generally, a straightforward, chronological description of the operations of the proposed project works most effectively.

What will you do and how will you do it? This is the time for specific actions, with exact numbers of persons served, units rehabilitated, etc.

Elements of a project description (methodology)
1. It describes the project you are proposing.
2. It explains how the project will solve a problem.
3. It explains why this project is the best approach.

This section is your opportunity to describe how you will solve the problem or ameliorate the situation you outlined in the needs statement.

Explain what your organization plans to do about the problem.

- **Who is the target audience, and how will you involve them in the activity?** How many people do you intend to serve? Some projects have two audiences: the direct participants (the musicians in the community band, the kids doing summer clean-up in the parks) and the indirect beneficiaries (the music lovers in the audience, the people who use the parks). If so, describe both.

- **What are you going to do?** Describe the activities. Tell the funder about the project's objectives, or how many "units of service" you intend to deliver over a specific time period: how many hours of nutrition counseling to how many pregnant women; how many performances to how many audience members; how many HIV/AIDS hot-line calls answered by how many volunteers. It should be fairly easy for you to count your units of service. Just be sure your proposal doesn't promise an unrealistic level of service.

- **What project planning has already taken place?** If you have already done research, secured the commitment of participants or done other initial work, be sure to describe it so that the funder can see that you are well-prepared.

- **When will the project take place?** Some funders will ask for the project start date and project end date. These dates should bracket a series of closely related activities. In general, a project can be said to start when you actually start spending money on it. (Most funders don’t like to fund new activities that have already started). If the project is long, consider including a timeline of the different phases.

- **Where will the project take place?**

- **What is the intended impact of the proposed activities?** Tell the funder what impact your project will have -- what will change about the situation as a result of your project. For example, your pregnancy nutrition counseling program may intend to increase the birth weights of your clients' babies.
The impact of a project is sometimes hard to define. What is the intended impact of a performance of Beethoven's "Ninth Symphony," for example?

Impact can also be difficult to measure. The desired impact of a smoking cessation program is clear, but your organization cannot follow your clients around for the rest of their lives to see if they ever smoke again. The desired impact of a leadership program for teenagers may be "increased self-esteem," but that is an ambiguous concept that is difficult to quantify.

To add to the difficulty, few nonprofits can prove conclusively that a given impact was caused directly by their project. Your clients' babies may weigh more, but the cause may be something other than your nutrition counseling program. Nevertheless, you need to do the best job you can to define your intended impacts.

The methodology section should meet the following criteria:

- Flows naturally from problems and objectives
- Clearly describes program activities
- States reasons for the selection of activities
- Describes sequence of activities
- Describes staffing of program
- Describes clients and client selection
- Presents a reasonable scope of activities that can be accomplished within the time and resources of the program
- Provides a timeline of activities

There should be a very clear link between the methods you describe in this section and the objectives you have previously defined. Be explicit in your writing and state exactly how the methods you have chosen will fulfill your project's objectives and help deal with the needs/problems on which your proposal is focused.

The prospective funding agency will be looking at your methods to see what it is that you are proposing that will be new, unique or innovative. Make sure you clearly present the innovative aspects of your idea. At the same time, many funders also look to see if you are employing 'best practice'—and you will need to document the elements of your methodology that follow best practice.

Are the specific methods you are proposing for your project very important to your unique clientele? Make sure you clarify this for the funding organization.

Do not forget to include the collaborative relationships your project will be developing with other cooperating groups. A good way to show collaboration is in the methods that you will be using. How will the methods for your project encourage groups to join together in dealing with the issues/concerns your project addresses?

Your Methods section should clearly indicate how the methods that will be used will allow the outcomes of your project to have value for others beyond your project.
Future Funding
or Project Sustainability

If you continue this project in the future, how will it be supported?

This is a difficult question to answer effectively. Most funders don’t want to support the same set of projects forever. They would prefer to help projects get started and then move on to new issues, knowing that the projects will keep going with other support.

Many funders see their niche as funding innovation: supporting new approaches to old problems or finding solutions to new problems.

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 don’t, you should be thinking about it -- if not for your funders then for the success of your project or organization.

This section describes a plan for continuation beyond the grant and/or the availability of other resources necessary to implement the grant. In equipment/capital requests, many funders require organizations to demonstrate how the ongoing cost of operations and equipment maintenance will be met. The section on future funding should meet the following criteria:

- Presents a specific plan to obtain funding if program is to be continued
- Describes how maintenance and future program costs will be covered (if applicable)
- Describes how other funds will be obtained, if necessary to implement the grant (include individual solicitation efforts specifically aimed at this project)
- Includes list of other funders approached on behalf of project (name of funder, date of proposal submission, amount requested, current status)
- Has minimal reliance on future grant support
- Is accompanied by letters of commitment (if necessary)

Competitive proposals demonstrate plans for carrying out a project after initial grant funding expires. Funders are eager to know that your program will not collapse after their money has been spent. They also (most likely) do not want your agency coming back for support year after year, for continued funding.

The best approach for a grant applicant is to designate other matching sources of funding in advance, such as other donors, earned income or special fund raising events. This shows commitment from your agency. Because foundations are typically willing to support only a percentage of the project’s costs, your group needs to find matching sources of income.

If your administrative costs are low, include that information in this section. Also illustrate the different ways that your organization receives funding, such as direct mail, individual donors, special events, and planned giving. Volunteers and in-kind contributions also illustrate your organization's level of community support, and your commitment to reducing your program's costs. For example, an agency that receives more than 10,000 hours of volunteer support — the equivalent of five full-time staff members — is important information that greatly bolsters a grant application.
Key Project Staff

Project staff can be broken down into three categories.

- Project Management
- Project Administration/Governance
- Evaluation Staff

Use this section to describe the roles of the different people associated with your project and the importance of each. These may be individual positions, combinations of existing positions, full or part time positions, paid or volunteer positions. None, some or all of the funding for the staffing component of your project can come from your proposed budget.

Project Management:
To start, make sure you include name, title, experience, and qualifications. Include other information if you feel it's important to the success of your project. If you have not yet selected the person or people to implement the proposed project, then include position descriptions and hiring plans once the grant is awarded.

The descriptions of your personnel should let the funding agency know that you have excellent people who are committed to the project. The validity for what you are proposing is directly related to the people that will work with the project.

Be sure that all key staff have updated résumé’s available. Include them in the attachments of the proposal, if the funder requests them in the RFP.

Governance:
Identify the leadership of your organization and their role in assuring that grant activities are pursued appropriately. If you will be using a Steering Committee (Advisory Committee, Governing Board, etc.) to assist in your project, this is a good place to describe how it will be organized and who will be included.

A Steering Committee can be politically very helpful to you and your project. You can enlist the support of a variety of other agencies/organizations by placing a representative of these agencies/organizations on your Steering Committee. A Steering Committee can greatly help in identifying and linking to other resources. A viable Steering Committee can suggest to a funding agency that the project has strong links to the local situation and the project has a good chance of continuing after the funding period is over.

Evaluation Staff:
Here is where you let the funder know that you have the capabilities to fulfill the requirements of a thorough evaluation. The quality, creditability and experiences of evaluation personnel are almost as important as the quality of the evaluation plan itself.

Have the key evaluators work with you to write the “evaluation” portion of the grant proposal.

If the funding amount is substantial, you might want to make arrangements to contract with an independent evaluator. Using an evaluator outside your agency lends significant legitimacy to the results, and shows a funder your confidence in attaining stated evaluation outcomes. A small but growing number of funders are requiring independent evaluations. Funders would much rather spend extra on an experienced evaluator that have you take on an evaluation plan beyond the skills of your staff.
Budget

All proposals should include a budget which clearly delineates costs to be met by the funding source and those provided by other parties.

If a proposal is for a specific project, separate budgets for the general operating budget and the special project budget are usually required by a funder.

Budgets should show income as well as expenses and should be structured in columnar form, listing the expense on the left and the dollar amount in the right column, according to general accounting/bookkeeping principles.

EXPENSES

**Personnel Expenses** include the expenses for all 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:  Counseling director ($35,000 x 50% x 8 months) = $11,667

Also consider the time that other staff not involved directly in the project may have to contribute. For instance, the executive director has to supervise the counseling director:  Executive director ($40,000 x 5% x 8 months) = $1,333

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) or the hourly rate (for a curriculum consultant, $40/hour x 40 hours).

**Direct Project Expenses** are non-personnel expenses you would not incur 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 will have to live with this budget;** you can’t go back to the funder and ask for more money because you forgot something. Think carefully about all the expenses you will have. If you will be hiring new people, for example, don’t forget that you may have to pay for classified ads. Also take the time to get accurate estimates. If you will be printing a brochure, don’t guess at the cost. Call your printer and ask for a rough estimate for printing 2,000 copies of a two-color, 8.5x11 inch sheet, printed on both sides and folded twice.
Administrative, Overhead or Indirect Expenses are non-personnel expenses you will incur whether or not you do the project. But if you do the project, 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 continue to rent the office even if the project doesn’t happen. But if the project does happen, one-quarter of the office space will be occupied by the project director. So you can charge for one-quarter of your office rent, utilities and administrative costs, such as phone, copying, postage and office supplies.

**Be sure to read the funder’s fine print on administrative or overhead expenses** (sometimes called indirect expenses). Some funders don’t cover administrative expenses. Some instruct you to charge a flat percentage of your direct expenses. Others will allow you to itemize. If the funder has rules about overhead, remember that some of your personnel costs may in fact be "overhead" and should be moved to this section. An example is an executive director supervising a project director. You will pay the executive director whether or not you do the project, so she could be considered an administrative expense.

**Note:** Be sure to add up all your expenses carefully. Incorrect addition on budgets is one of the most common errors in a grant proposal.

**INCOME**

All income for a project fits into two categories:

**Earned Income** is what people give you in exchange for the service or product your project generates. Not all projects generate income, but many do. A play generates ticket income and maybe concession income. An education project may have income from publication sales or tuition. Show how you calculated the estimated earned income:

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

**Contributed Income** comes in two categories: cash and in-kind. 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.

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.

**In-kind contributions** are gifts of goods or services instead 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. 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.
In-kind contributions can be important for three reasons:

a. It shows all the ways in which the community is supporting your project, even though not everyone is giving cash.

b. It shows the true cost of the project -- what you would have to spend without the community support. If you want to show in-kind for these reasons, you can either show it in the budget, as above, or simply add a footnote to the bottom of the budget, like this:

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

A budget should meet the following criteria:

- Tells the same story as the proposal narrative
- Is detailed in all aspects
- Includes project costs that will be incurred at the time of the program's implementation
- Contains no unexplained amounts for miscellaneous or contingency
- Includes all items asked of the funding source
- Includes all items paid for by other sources
- Includes all volunteers
- Includes all consultants
- Details fringe benefits, separate from salaries
- Separately details all non-personnel costs
- Includes separate columns for listing all donated services
- Includes indirect costs where appropriate
- Is sufficient to perform the tasks described in the narrative.

Qualities of a grant budget
1. It should be realistic.
2. It should include only eligible expenses.
3. The total should be within the grant maximum.

Follow the grant guidelines carefully in preparing your budget. Be aware that grant money will rarely cover everything: your institution will also be making a commitment if your proposal is accepted -- though that commitment may be in staff time or in resources other than money.

Novel idea: Think about developing a budget draft first, instead of last! Your guidelines should indicate a maximum award amount or an average award amount. By figuring out the budget first you can use it as a planning tool for the narrative.

Here are some additional pointers for the budget:

- Don't leave the budget to the last minute. You’ll be sorry.
- Try to think of everything you will need (e.g., food for an event, certificates, film, etc.).
- Get REAL cost estimates, don’t guess. Be as accurate as possible.
- Include your costs for administering the grant, if allowed (i.e., utilities, photocopying, bookkeeping, telephone, etc.).
- Don’t be afraid to ask for help! Check with the funder.
Budget Justification
Now is the time to do some final tweaking on your project or program budget. Often, a funder requests not only the numbers in a format they require, but they also want a narrative version of your budget, to specifically describe how you arrived at the numbers, what the reasons are for each item and such. One of the best ways is to number the items on the budget form and use corresponding numbers to identify each item in a narrative form.

If a justification is not required, YOU SHOULD DO ONE ANYWAY. When you are awarded the grant, your team will need to remember why and how certain budget decisions were made. This will greatly help you implement your funded program within the expectations of the funder.
Evaluation Plan

or Assessment

Proposals must include a plan for determining the degree to which objectives are met and methods are followed. This section is extremely important as funders pay particular attention to evaluation methods since they need help determining whether a proposed project represents an intelligent investment for them.

An Evaluation Plan

1. Outlines the criteria against which progress will be measured. These criteria may be the stated objectives of the project.
2. Identifies who will be evaluating the project.
3. Specifies at what points the evaluation will be conducted.

Tell the funding agency what measures you will use, in quantifiable terms, to determine if you accomplished your goals. The evaluation section should meet the following criteria:

- Presents a plan for evaluating accomplishment of objectives
- Presents a plan for evaluating and modifying methods over course the program
- Tells who will be doing the evaluation and how they were chosen
- Clearly states evaluation criteria
- Describes how data will be gathered; explains any test instruments to be used
- Describes the process of data analysis
- Shows how evaluation will be used for program improvements
- Describes any evaluation reports to be produced
- Consider hiring a professional evaluator/researcher

- **The Evaluation budget should be at least 5% - 10% of the total budget figure.**
  Much lower than that, you run the risk of the funding agent assuming that you are not expending enough energy on proper evaluation

There are three key types of evaluation.

1. A **qualitative evaluation** demonstrates that your clients are satisfied with the service provided, and that the program was of high quality. Client surveys and interviews focused on customer satisfaction can best demonstrate the delivery of quality services.

2. A **quantitative evaluation** demonstrates that you served a targeted number of clients for each service. In the evaluation section, your organization promises to serve a certain number of people during a fixed time period, and outlines a system for tracking service numbers. Sometimes your quantitative evaluation is directly tied into your objectives.

3. An **outcome evaluation** demonstrates behavioral and attitudinal changes among the people served. Pre- and post-tests are frequently utilized to examine changes in knowledge or attitudes by participants. In addition, factors such as school grades, test scores, surveys, employment, substance use and other factors are compared before and
after the individual entered your program. The factors that you evaluate are parallel to the issues you identified in the needs statement.

And there are two things to measure in an evaluation:

1. **Process or formative evaluation**— ways to gain feedback on the project while it is being conducted

2. **Product or summative evaluation**— ways to show that the project fulfilled that which was originally proposed

Try to include both. Another way of conceptualizing this is that formative evaluation/process evaluation is concerned with the activities of the project. On the other hand, summative evaluation/product evaluation is concerned with the stated objectives of the project.

Showing that your program will spark outcomes is perhaps the most powerful claim you can make in a grant proposal. Establish outcome baselines based on your best estimates, and try not to inflate your projections. For outcome evaluations, it is a good idea to use tools that are accepted or known within your service type. Surveys, test scores, police data and evaluation instruments developed by respected academic institutions are valid tools.

**Tips for Evaluation**

If you plan to use an outside evaluator (which is often recommended by funders), conduct some research to locate that person or firm and consider asking them to assist in the writing of this section of the proposal. Often a researcher can provide the key phrases and language that will convince the funder that you are capable of conducting an effective evaluation.

It's important to describe in your proposal exactly how you will decide whether or not your project has been successful, achieved its objectives, etc. The Evaluation Plan will tell the prospective funding agency how you will be going about showing them at the end of the project that their investment in you was a good one.

If you plan to use a survey or questionnaire to help in evaluating the success of your project you may want to include in the Appendices a draft of what you are considering for the questionnaire/survey.

Your evaluation plan does not have to be elaborate but it is important to indicate to the prospective funding agency that you have not forgotten this important step.

It is easy to create a summative evaluation/product evaluation plan if you have done a good job of clearly stating your project objectives or expected outcomes.

Make direct reference to your objectives in your evaluation plan. This creates a strong sense of integration/consistency within your proposal. The reader of your proposal will now be hearing the same message repeated in different sections of your proposal.

A good evaluation plan should include some sense of concern for what goes on following the conclusion of the funding period. How will the initiatives that have been started under the project be sustained? Have new things occurred that will be continued in the future? How will other
cooperating agencies assist in continuing the project after the conclusion of the funding period? These and other areas should be included in a viable evaluation plan.

**Relationship to Funder Priorities**
If this is not a required element mentioned in the RFP, make sure you fit it in somewhere. Here is your chance to connect the dots for the grant reviewers.

Conduct some research on the funder's area of interest, their past demonstrations of program/project commitments, their stated goals within press releases, annual reports and such.

Use the language of the funder to make a specific connection to them and to your organization and to the proposal you are writing.

**Unique Forms Required**
You are rarely ever done once the narrative of your proposal is complete—there are often more forms or attachments to complete, and some can be very time consuming.

Some funders have their own, unique forms that are required to include in a proposal. Federal grants are notorious for complex management plans, timetables, detailed budget outlines, and more. Be sure to read the RFP carefully to understand what forms are required, where to find them and how to fill them out. **DO NOT WAIT UNTIL THE LAST MINUTE TO LOOK AT THESE FORMS!**
Summary

or Abstract, Project Overview

Note—if this element is not noted in your RFP, such as in the Minnesota Common Grant Application form, you are strongly encouraged to add a paragraph in the beginning. It should not take the reader a page or two to get to the part that discusses what you plan to do.

This section clearly and concisely summarizes the request. It should provide the reader with a framework that will help him/her visualize the project. The remainder of the proposal will then serve to deepen and amplify the "vision" presented in the summary section at the beginning. The summary can also be sent to the media and elected officials to keep them informed. A copy of the Summary should also be provided to the Senior Management of your organization, in case he/she/they are contacted by the funder with questions.

A summary should meet the following criteria:
- Appears at the beginning of the proposal
- Identifies the grant applicant
- Includes at least one sentence on credibility
- Includes at least one sentence on problem
- Includes at least one sentence on objectives
- Includes at least one sentence on methods
- Includes total cost, funds already obtained and amount requested in this proposal
- Is brief (limited to several paragraphs, half a page at most)
- Is clear
- Is interesting

Use the Summary to begin to show your knowledge of the organization from which you are requesting funds. Key concerns of the funding organization can be briefly identified in relation to your proposed project.

If you will be collaborating with other organizations make sure some of their interests are also highlighted in the Summary. This can assist in strengthening the collaboration by recognizing them at the very beginning of your proposal.

The best time to prepare the Summary is after you have completed the entire proposal (and you understand all aspects of your proposal very well). Let the Summary be your last piece of writing and then insert it at the beginning of your proposal.

Try to keep in mind that someone will be reviewing your proposal and you would like to have this person be very positive about what you have written. The Summary will probably form a strong impression in the mind of the reviewer.
Cover Letter

The cover letter is a concise summary of your proposal. It says why you chose this funding agency, your organization’s capability to complete the project, and the amount you are requesting. It should be signed by your CEO, not the grant writer, but should include a contact name and telephone number.

Your letter should establish a connection between your project’s goals and the foundation’s philanthropic interests. Use the language of the funder to reiterate this point. Quote from annual reports, press releases and other publications.

A cover letter should meet the following criteria:

- Includes funder’s name, title, and address
- Is directed at the individual responsible for the funding program (is not addressed "To Whom It May Concern", "Dear Sirs", etc.)
- Provides a brief overview of the organization and its purpose
- Includes the reason for the funding request
- Includes the amount requested (if required by funder)
- Does not exceed two pages (one page is recommended)
- Includes name and phone number of contact at the organization
- Is signed by the person who can speak with authority on behalf of the organization
Bibliography
or reference list

Use this section to list all literature sources used in your proposal. It is important to give academic credibility to your presentation of needs or solutions. This section should be proportionate to the size of the proposal. For example, a 25 page proposal for $10,000 may only have two or three references on less than half a page. A 100 page proposal for $2 million may have ten or more references on one to two pages of bibliography.

Appendices
or Attachments, Supplementary Materials

Some attachments are recommended in all proposals, while others may be included at the author's discretion. If a recent article or endorsement has been written about your organization, and if it is germane, it may be included as an attachment to the proposal. Generally funders will look at only one or two articles/endorsements. Therefore, your organization must carefully select the best recent article/endorsement to submit. Additional attachments can be included at the author's discretion. Required appendices may include:

- Verification of tax-exempt status (generally the IRS determination letter)
- Names and affiliation of officers and Board of Directors members
- Financial statements for last completed fiscal year (audited, if available)

  **Balance Sheet**
  A financial document that shows an organization's financial condition (assets, liabilities and net worth) on a particular day.

  **Fiscal Agent**
  A nonprofit organization that will legally hold money for a group that does not have 501(c)3 status.

  **Statement of Activities**
  A financial document listing an organization's income, expenses and changes in net assets for a specific period of time.

  **Statement of Functional Expenses**
  A financial document that divides expenses by management and administration, fund-raising and program costs.

  **Statement of Income and Expense**
  See statement of activities.

- Current general operating budget and special project budget (if applicable)
- List of clients served (if appropriate)
- List of other current funding sources
- Biographies of key personnel (only if requested)
- Brochures/articles/endorsements
- Letters of support (if allowed)
- Diagrams for equipment or building requests
• Organization's by-laws

Putting It Together
Now is where your linear thinking will come in handy. All the elements you’ve been working on need to be put together in the format mentioned in the RFP, or if you’re on your own—then in a logical manner.

Make sure you review the RFP again, in case your potential funder is asking for something additional that has not been mentioned in this course…some are very detailed in their requirements.

As you and your colleagues edit the proposal, keep these tips in mind:

• Keep words, sentences and paragraphs short. Be concise!
• Avoid jargon and explain acronyms.
• Assume your readers know nothing about the subject and your organization.
• Use action verbs (e.g., "we created" instead of "we have been creating").
• Use variety in your writing (don't start every sentence with "The").
• Use examples, quotes, and personal narratives when appropriate.
• Read your draft out loud (a great way to catch run-on or awkward sentences!).
• Edit your work, then ask someone unfamiliar with the project to read and comment.
• Think about your audience when writing the proposal.
• Don't use language or a tone that might offend reviewers, for whatever reason!

Looking Good
Appearance is 50% of your grade -- or -- neatness counts!

• At least 1 inch margins all around
• Type or word process in at least 11 point or 12 point font size. Some grants will give you specific directions.
• Correct spelling and grammar
• Uncluttered appearance
• Varied formatting (Use underlining, italics, bold type, and tables, graphs, and pie charts if possible.)
• Follow guidelines in application package to a "T" (especially if they vary from the information above)
• Use application headings from the guidelines in your proposal.
• Check the list of required attachments and gather them, as needed.

Plan for the internal approvals and signatures that you need before you can submit the proposal.

Follow the instructions on submission (i.e., number of copies/originals, binding instructions, online submission requirements, etc.)
THE SITE VISIT

Some foundations will simply send you a check in the mail as your notification of approval. But many will require a site visit prior to the approval of the grant, in order to ask some specific questions. This is usually a face to face visit with a foundation staff person and may occur either in your offices or theirs.

Treat the site visit as through you’re meeting with the Governor. Dress well, give a tour, have beverages available and include the staff people and board members who are appropriate. **It’s a good idea to as the foundation in advance who they would like in the meeting—they have already read your proposal—they know who’s involved. Some foundations may only want to meet with the Executive Director, even though he or she is far removed from the project. Others may want to include all staff involved, and some may want to include representatives from other organizations who are mentioned as collaborative partners.**

It is important to prepare well for the site visit. Sit down with everyone involved and play the devil’s advocate. Think of every weakness in the proposal and prepare positive answers. Think of every positive aspect of the project and make sure someone presents them well.

**It is okay sometimes to not have all the answers to the funder’s questions. Ask their opinion on a sticky point. It will improve the project and build ownership from the funder’s perspective.**

These are smart people. They know all the angles. **Don’t try to deceive them, exaggerate or fake it. Be honest. Integrity goes a long way.** But also be creative in your responses when necessary. There are rarely black and white issues—many times you must ride the fence because you cannot predict the future. **Be careful not to promise too much, but always promise your best efforts.**

It’s very likely that the report from the site visit will be the determining factor for the approval (or disapproval) of the proposal. Take it very seriously.
WHEN YOU GET THE GRANT

First things first—send a letter of thanks. Make sure to read and sign all contracts necessary and ask for any specific reporting requirements, forms and deadlines. Make notes in your calendar well in advance of each report due date, so you have sufficient time to prepare and submit them.

IF THE GRANTED AMOUNT IS DIFFERENT from your request, ask for specific details regarding the conditions of the approval and the required budget changes. Identify and communicate outcome changes that may be affected with a changed budget. Do not accept the grant until your organization is confident that the agreed upon dollar amount and required outcomes are acceptable.

Some foundations request, and appreciate, acknowledgement of their support in press releases and publications. Others will provide assistance in developing these materials and some may develop the publicity materials themselves. Check with your project officer.

Work with your accounting staff to set up clear and separate financial reporting on ALL grant related activities. Be honest in all your financial reporting. Keep track of non-cash contributions by the organization and volunteer time by anyone involved—these may be helpful in reporting your organization’s match requirements.

It’s now your job to watchdog the implementation of the funded project. You must make sure the organization carries out what it promised.

Keep detailed records of all grant activities. If there are any significant deviations or unexpected issues, contact the funder for guidance.
REJECTION? Don’t Give Up!

The Ten Most Common Reasons Grants are Declined

1. "The organization does not meet our priorities."
   *Research thoroughly before applying.*

2. "The organization is not located in our geographic area of funding."
   *Get the guidelines before applying.*

3. "The proposal does not follow our prescribed format."
   *Read the application information very carefully and follow it exactly.*

4. "The proposal is poorly written and difficult to understand."
   *Have friends and experienced people critique the grant before you submit it.*

5. "The proposed budget/grant request is not within our funding range."
   *Look at average size of grants of the funder.*

6. "We don't know these people. Are they credible?"
   *Set up an interview before submitting the proposal and have board members and other funded organizations help you establish a relationship and give you credibility.*

7. "The proposal doesn't seem urgent. I'm not sure it'll have an impact."
   *Study the priorities and have a skilled writer do this section to make it "grab" the funder. Your aim is to sound urgent, but not in crisis.*

8. "The objectives and plan of action of the project greatly exceed the budget and timelines for implementation."
   *Be realistic about the programs and budgets. Only promise what can realistically be delivered for the amount requested.*

9. "We've allocated all the money for this grant cycle."
   *Don't take this personally. It is a fact of life. Try the next grant cycle. Next time, submit at least a month before the deadline to give ample opportunity for questions and a site visit.*

10. "There is not enough evidence that the program will become self-sufficient and sustain itself after the grant is completed."
    *Add a section to the proposal on your plans for self-sufficiency and develop a long-term strategy.*

Most funding entities receive far more worthy proposals than they can fund. **If your proposal is rejected, it is important to take some time to learn why.** Some funders provide very specific feedback—point ratings for each section of the proposal, or even written remarks from reviewers. This information should help you determine if a rewrite might be worthwhile for submission in a subsequent grant round from the same funder.

**If you don’t know why your proposal was rejected, then ask.** Be respectful and mention that feedback would help your organization in future efforts. Most staffers should be able to give you some information on why your proposal was ranked lower. This is also a good time to ask if the funder would consider the proposal at some other time...or if additional information or components would strengthen your proposal for reconsideration.

**Another valuable question to ask is if the funder could suggest other sources of support that you could pursue.** Even though one foundation is not interested in your project, they might know of others who would be. Foundation staffers network with each other regularly.

All this communication helps build a relationship with a potential funder that may pay off later, when you do have the perfect project fit for their interests. You want them to remember you as knowledgeable, courteous and passionate about your mission.

**CONSIDER WRITING A SMALLER GRANT**—for research or planning—if the proposed project was large in scope it might be worthwhile breaking it down into smaller proposals. It’s possible to request planning funds to better flesh out the strategies, research the approach, or gather collaborative partners.

Above all, do not be discouraged when your proposals are not funded. Learn from the process, and use the information to improve your next effort.
Internet Sources for Grant Seekers

BASIC ELEMENTS OF GRANT WRITING  http://www.cpb.org/grants/grantwriting.html
The Corporation for Public Broadcasting evaluates hundreds of proposals each year for a variety of funding purposes. This publication is an easy guide to the basic elements of grant writing and is offered to assist applicants to CPB and to other funding sources. It offers guideposts to help you through each stage of the process.

ELEMENTS OF A GRANT PROPOSAL  http://www.silcom.com/~paladin/promaster.html
This article was originally written by The Center for Nonprofit Management in Los Angeles, and distributed by the Los Angeles County Alcohol and Drug Program Administration. Adaptations and enhancements by The Paladin Group.

ELEMENTS OF A GRANT PROPOSAL  http://www.hotwinds.com/Grant_Prop.html
Tips from the Center for Nonprofit Management via Hotwinds.

EPA GRANT-WRITING TUTORIAL  http://www.epa.gov/seahome/grants.html
This interactive software tool walks the user through the grant-writing process and helps them learn to write more competitive grants. The program includes: detailed information and tips on writing a grant proposal; how to complete a grant application package; program-specific sections on three EPA grant programs.

As you are aware, no fund-raising campaign should be started until you have identified the sources from which you will draw contributions. Sources here does not refer to specific potential donors, but to the six categories of donors who contribute money to non-profit organizations.

FUNDSNET FUNDRAISING AND GRANTWRITING RESOURCES  http://www.fundnetservices.com/grantwri.htm
A compilation of web resources

GRANT PROPOSAL DEVELOPMENT (Michigan State University Library)
http://www.lib.msu.edu/harris23/grants/crsrap.htm

GRANT PROPOSAL DEVELOPMENT (Congresswoman Nancy Pelosi of CA)
http://www.house.gov/pelosi/crsrap.htm
This Congressional Research Service report offers suggestions for finding appropriate sources of Federal and private project funding. It describes major components of the written grant proposal and gives basic guidelines for developing, organizing, and writing the proposal.

Advice from Stephen Wilburs. Articles first appeared in Minneapolis Star Tribune.

GRANT SEEKER'S CHECKLIST  http://www.lib.msu.edu/harris23/grants/fam.htm
A brief list of tips from the publishers of the Federal Assistance Monitor.

Sample e-mail communication from Grants and Foundations Review (TM). Provides subscriber information.

GRANT WRITING ON THE WEB: A HEALTH RESOURCES DEVELOPMENT TOOL
http://www.health.state.ut.us/primary_care/grantwrit.html   This grant writing assistance resource document is an annotated bibliography of selected fund raising sources found on the Internet.

GRANT WRITING TOOLS FOR NONPROFIT ORGANIZATIONS  http://www.npguides.org/
Provides sample proposal, pre-proposal letter, cover letter, cover sheet, budget, etc. Courtesy of Nonprofit Guides.

GRANTPROPOSAL.COM: AESTHETICS AND TECHNICALITIES FOR GRANTWRITERS
http://www.grantproposal.com/   Includes sample letter of inquiry, prospect research resources, advice from funders,
evaluation strategies, consulting referrals, and hundreds of tips. Site developed by Elizabeth Howell Brunner.

GRANTS, ETC. http://www.ssw.unich.edu/grantsetc/ A web site designed to enable both experienced and novice grantseekers and fundraisers to access information on the Internet. Aimed primarily towards human service providers and other nonprofit organizations, the site provides links to resources on potential funding opportunities, proposal writing, charitable donations, and other valuable information.

GUIDE FOR WRITING A FUNDING PROPOSAL http://www.learnerassociates.net/proposal/ A practical guide that provides both instructions on how to write a funding proposal with actual examples of a completed proposal. Designed as a tool for advanced graduate students and others to learn more about the actual proposal writing process. Provided by S. Joseph Levine, MSU Department of Agricultural and Extension Education.

MINNESOTA COUNCIL OF NONPROFITS http://www.mncn.org


A PROPOSAL WRITING SHORT COURSE http://fiducer.org/learn/shortcourse/prop1.html A short overview provided by the Foundation Center.


SAMPLE GRANT PROPOSAL (CENTREVILLE COMMUNITY CENTER) http://www.coloradozągrants.org/gcc.html A sample proposal prepared by Grants West of Denver, Colorado, and fully funded by local foundations (while the name of the organization has been changed, the proposal is presented in its actual format).

SAMPLE GRANT PROPOSAL FOR OPERATING FUNDS http://web.archive.org/web/20011125222034/ http://charitychannel.com/GuestShare/Tim_Puffer/ Includes a sample grant proposal for general operating support. It follows the narrative format of the Minnesota Common Grant Application Form.

STEPS TO EFFECTIVE GRANT WRITING http://web.archive.org/web/20011016112626/http://www.c-m-i.com/flip/grantor.txt Tips from James L. Tanner, Ph.D., Vice President, Correctional Management, Inc., 207 Canyon #205, Boulder, CO 80302; telephone: (303)449-3560; e-mail: tanner@c-m-i.com. Still available thanks to the Internet Archive.

TEN POINT PLAN FOR STANDARD GRANT FUNDING PROPOSAL http://www.npguides.org/guide/index.html Provides valuable tips for those interested in pursuing grants from private funders; includes a grantwriting guide, sample grant forms (a sample cover letter and cover sheet, grant application, and budget), and links to possible grantmakers.


Glossary of Acronyms and Terms

AAFRC: American Association of Fund-Raising Counsel

Annual fund: total gifts made on a yearly basis to support yearly budgets or general operations.

Annual report: A voluntary report issued by a foundation or corporation that provides financial data and descriptions of its grantmaking activities. Annual reports vary in format from simple typewritten documents listing the year's grants to detailed publications that provide substantial information about the grantmaker's grantmaking programs.

ARNOVA: Association for Research on Nonprofit Organizations and Voluntary Action

Benefactor: a generous donor.

Benevolence: an act of kindness or generosity.

Bequest: a gift of personal or real property by means of a will when one dies.

Campaign: an organized effort to raise a specified amount of money for a particular purpose in a specified period of time.

CFRE: Certified Fund Raising Executive

Challenge grant: a grant made on condition that other gifts or grants will be obtained on some prescribed formula, usually within a specified period of time, with the objective of encouraging other gifts or grants.

Charitable deduction: the portion of a gift to a qualified charity that is deductible from an individual's or corporation's federal income tax, individual's gift tax, or individual's estate tax.

Charitable organization: an organization that is eligible to receive charitable donations and is tax-exempt under federal tax law.

Charity: that which is willingly given to aid those in need; a nonprofit organization that is active in humanitarian work and supported entirely or in part by gifts.

COF: Council on Foundations

Commission on Private Philanthropy and Public Needs: the formal name of the Filer Commission; a privately funded study of the role of philanthropic giving in the US and of the independent sector; made formal recommendations to the independent sector, Congress, and the American public as to how the practice of private philanthropy could be made more effective.

Community foundation: a nonprofit organization that receives funds and distributes them, or any income from them, for charitable purposes in a specific geographic area.

Corporate foundation: A private foundation whose assets are derived primarily from the contributions of a for-profit business. While a company-sponsored foundation may maintain close ties with its parent company, it is an independent organization with its own endowment and as such is subject to the same rules and regulations as other private foundations.

Corporate sponsorship: financial support by a corporation in exchange for public recognition and other benefits.

Deferred gift: a gift that is committed to a charitable organization but is not available for use until some future time, usually the death of the donor.

Designed gift: a gift, the use of which is designated by the donor.

Donor-advised fund: a fund in which the donor exercises the privilege of making nonbinding recommendations to the governing body as to which public charity or charities should receive a grant from this fund.

Endowment: a permanently restricted net asset, the principal of which is protected and the income from which may be spent and is controlled either by donor restriction or the organization's governing board.

Fiscal Agent: An organization that agrees to act on behalf of another for the financial and legal liability in receiving, implementing and reporting a grant. Used in this context to mean a nonprofit or government entity that agrees to accept and distribute grant funds for an organization not having the legal eligibility to do so.

501(c)(3): the section of the Internal Revenue Code designation that exempts certain types of organizations (such as charitable, religious, scientific, literary, educational) from taxation and permits these organizations to receive tax-deductible donations.

Form 990: an Internal Revenue Service financial information return submitted annually by most tax-exempt organizations and institutions except religious.
Foundation: an organization created from designated funds from which the income is distributed as grants to nonprofit organizations and, in some cases, to individuals.

Grantsmanship: the act or skill of writing proposals to obtain grant money from foundations or donors.

Grantee: Donee: The recipient of a grant. (Also known as the beneficiary.)

Grantor: Donor: An individual or organization that makes a grant or contribution to a donee.

IS: Independent Sector (an alliance headquartered in Washington, D.C.)

Independent foundation: A grantmaking organization usually classified by the IRS as a private foundation. Independent foundations may also be known as family foundations, general purpose foundations, special purpose foundations, or private non-operating foundations.

Independent sector: nonprofit or tax-exempt organizations collectively that are specifically not associated with any government, government agency, or commercial enterprise.

In-kind gift: a gift of goods or services.

LOI: Letter of Inquiry—a brief synopsis of your proposal idea that is often sent to a prospective funder in advance of a full proposal.

Matching gift: a gift contributed on the condition that it be matched, often within a certain time period, in accordance with a specified formula; or, a gift by a corporation matching a gift contributed by one or more of its employees.

Meliorism: the doctrine that the world tends to become better, or may be made better by human effort.

NCNB: National Center for Non-Profit Boards

NGO: nongovernmental organization: any private organization

NSPRE: National Society of Fund Raising Executives

Philanthropy: 1. Voluntary action for the public good. 2. Love of humankind, usually expressed by an effort to enhance the well-being of humanity through personal acts of practical kindness or by financial support of a cause or causes. 3. Any effort to relieve human misery or suffering, improve the quality of life, encourage aid or assistance, or foster preservation of values through gifts, service, or other voluntary activity.

Private foundation: A nongovernmental, nonprofit organization with funds (usually from a single source, such as an individual, family, or corporation) and program managed by its own trustees or directors. Private foundations are established to maintain or aid social, educational, religious, or other charitable activities serving the common welfare, primarily through the making of grants. See also 501(c)(3); public charity.

Program-related investment: A loan or other investment (as distinguished from a grant) made by a foundation to another organization for a project related to the foundation's philanthropic purposes and interests.

Public charity: A nonprofit organization that qualifies for tax-exempt status under section 501(c)(3) of the IRS code. Public charities are the recipients of most foundation and corporate grants.

RFA: Request for Applications

RFP: request for proposal: When the government issues a new contract or grant program, it sends out RFPs to agencies that might be qualified to participate. The RFP lists project specifications and application procedures. While a few foundations occasionally use RFPs in specific fields, most prefer to consider proposals that are initiated by applicants.

Special purpose foundation: A private foundation that focuses its grantmaking activities in one or a few areas of interest.

Sponsorship: Affiliation with an existing nonprofit organization for the purpose of receiving grants. Grantseekers may either apply for federal tax-exempt status or affiliate with a nonprofit sponsor.

Tax-exempt: free from or not subject to tax.

Trustee: A foundation board member or officer who helps make decisions about how grant monies are spent. Depending on whether the foundation has paid staff, trustees may take a more or less active role in running its affairs.

UBIT: unrelated business income tax: tax on income that is the result of any legal trade or business conducted by a nonprofit organization to make money in a way not directly related to its tax-exempt mission.

Voluntarism: the system of doing something by or relying on voluntary action or volunteers.