# Writing Proposals They'll Want to Read

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Association of Baltimore Area Grantmakers

# Sources of Nonprofit Revenue

Foundations 1.8%

Corporations 0.6%

Bequests 1.0%

Individual Giving 9.2%

Investments 2.6%

Other 5.5%

Government 32.7%

Fees for Service 46.6%

Source: National Council of Nonprofits 2014.

# Sources of Nonprofit Revenue

- Government/Public Funds
- Federated Funds
- Private Foundations
- Corporations
- Individuals
- Fees for Service
- Special Projects
  - Social enterprises
  - Special events/fundraisers
- Internal

# Are We Ready?

- Is the project a fit with our mission?
- Does our organization have the capacity to administer and govern the proposed project?
- How does the proposed project fit with our strategic plan?
- How does this project fit with our current programs and services?
- Is the target population consistent with our current service base?
- What community support and "buy-in" can be identified for this project?
- Would this grant exceed 15% of our total operating budget?
- Is the timetable of the proposed funding sufficient to initiate, stabilize and evaluate the program design?
- What funding sources would be likely to sustain funding after the grant funds have been spent?

# Finding Foundations Funders

- Do some detective work
  - Learn you agency's own funding history
  - Study nonprofit newsletters/annual reports
  - Talk to your peers at other similar organizations
  - Talk with funders
  - Identify new sources: Chronicle of Philanthropy, Philanthropy News Digest, local newspapers
- Triangulate – no one source of info will give you the entire story
  - Foundation Directory Online
  - 990-PF
  - Foundation website/contact

# Evaluating Your Prospects

- Does the funder accept applications?
- Has the funder demonstrated a real commitment to funding in your subject field?
- Does it seem likely that the funder will make grants to organizations in your geographic location?
- What are the financial conditions that may affect the foundation's ability to give?
- Does the funder give to the same nonprofit groups every year?
- Have they committed their resources many years into the future?
- Does the amount you are requesting fit within the funders' typical grant range?
- Does the funder have a policy prohibiting grants for the type of support you are requesting?

# Evaluating Your Prospects

- Does the funder usually make grants to cover the full cost of a project or does it favor projects where other funders will participate?

- Does the funder put limits on the length of time it is willing to support a project?

- What types of organizations does the funder tend to support?

- Does the funder have application deadlines? When will it make grant decisions?

- Does anyone on your board or staff know someone connected with the funder?

# The Proposal

- A proposal must convince the prospective donor of two things:
  - That a problem or need of significant magnitude exists
  - That the applicant has the means and imagination to solve the problem or meet the need

# Components of a Proposal

| | |
|---|---|
| **Cover Letter** | • 1-1.5 pages<br>• A clear, interesting, succinct introduction to the grant proposal |
| **Organization Background** | • 2-3 paragraphs<br>• A description of the agency's qualifications or credibility and success with similar projects |
| **Statement of Need** | • 2 pages<br>• A description and documentation of needs to be met or problem to be resolved by proposed project |
| **Purpose of the Request** | • 2-3 pages<br>• A description of proposed project and implementation plan |
| **Anticipated Results** | • 1 page<br>• A description of how your define success and how you will measure impact |
| **Sustainability** | • 1 page<br>• A description of how the activity will continue beyond the grant period |
| **Budget** | • 1 page<br>• A numerical presentation of projected costs and contributions |
| **Budget Narrative** | • 1 page<br>• An explanation of the budget, clarifying what the numbers in the budget represent |

# Cover Letter

- A cover letter should:
  - Be addressed to a specific person
  - Indicate the size of the request
  - State why you are approaching this funder
  - Mention any prior discussion of the proposal with the funder
  - Describe the contents of the proposal package
  - Briefly explain the project
  - Offer to set up a meeting and to provide additional information
  - Include contact information
  - Be signed by chief executive or board president

# Cover Letter

- Cover letters should be tailored to interests of the individual funder – *do not use a generic form letter*
- Do not put vital information in the cover letter without also putting it in the proposal
- Be concise – no more than 1.5 pages, preferably 1 page

# Organization Background

- This section should meet the following criteria:
  - Clearly establishes who is applying for funds
  - *Briefly* addresses the rationale for the founding of the organization
  - Describes the applicant agency's purpose and long-term goals
  - Describes the applicant's current programs and activities

# Organization Background

- Provides evidence of the applicant's accomplishments
- Offers statistical support of accomplishments
- Provides evidence of administrative competence
- If applicable, describes the relationship with a fiscal agent and plans for becoming an independent nonprofit organization
- **Is as brief as possible**

# Statement of Need

- Decide which facts or statistics best support the need for the project
  - Data must be accurate
  - Data must be timely
  - Data should reflect the scope of the project
  - Data should be specific and related to your project

# Statement of Need

- Put a human face on the problem
  - Use anecdotes
  - Provide real-life examples
  - Supply actual quotes from those who have benefited or will benefit from your services
  - Your constituents have needs, not your own organization

# Statement of Need

- Describes the population or constituency you serve
- Identifies the geographic area you cover
- Conveys the extent of the problem and persuades the reader that the need is real
- Finds the right balance between presenting statistics and pulling heart strings
- Connects with the events of the day
- Shows that the need is as compelling (or more so) in your community than elsewhere
- Shows urgency and opportunity
- Is not too gloomy
- Conveys your knowledge and insight
- Echoes the funder's orientation – focuses on what the "customer" wants to "buy" and not want you want to "sell"

# Purpose of Request

Methods/Workplan

- Target population –  *who*  are you serving? Ages, ethnicity, geographic boundaries, etc.
- Facilities –  *where*  are the services provided? Include size, number of people accommodated, etc.
- Activities –  *when*  will you conduct the activities? Include frequency of activities and number of participants; a timeline can help make this clear

# Purpose of Request

Methods/Workplan

- Staffing –  *who*  will provide these services?   Include paid staff vs.  volunteers, any special expertise or experience, etc.

- Partners –  are other organizations involved? What are they contributing to the program?

- Justification –  why are you choosing this approach? Are you replicating a model or using a standardized curriculum?

# Purpose of Request

Capital Campaign

- Reviewer is generally most concerned with the feasibility of completing the project and implications on future operating costs.

- Higher level of expectation regarding material submission – i.e., multi-year budget projections/business plan, regulatory approvals, board giving, financing agreements, etc.

# Anticipated Results

- Describes how you will determine if your program was successful – what does success look like and how will you know you got there?
- Include specific output and outcome measures that you plan to collect and the tools you will use to collect them
- Explain how you will incorporate what you learn from your data collection to change course or improve your work and inform the work of others
- If this is a continuing activity, share information on past performance, including numbers served and outcomes for the past year
- If hiring an outside firm to evaluate your project, explain who they are and what they will provide

# Sustainability

- Explain how the activity will continue at the completion of the grant period
- While you can't know how exactly the money will come in, you should have a plan to address sustainability
- Funders like to know that your project is finite, or that it will build you organization's capacity, or that it will be attractive to other funders
- Beyond financing, describe the hoped-for long-term outcomes for the work and how change is sustained

# Budget

- A budget is a plan
  - For receiving and spending specific amounts of money
  - In specific cost categories
  - To get specific things done
  - Within a set period of time

- A budget is incomplete if it does not include revenue and expenses

# Budget - Revenue

- Always include both revenue and expenses in your budgets.
- Sources of funding may include: fees for service, government funds, individual donations, corporate/foundation grants, etc.
- Foundation and corporate support should be itemized, listing each by name and including the amount of the commitment or pending grant.
- Sources should indicate what is committed and what is prospective, and what is actual and what is estimated.

# Budget Narrative

- The budget narrative explains what the numbers in the budget represent, how you arrived at them, and what assumptions underlie the budget.

- No one right way to present a budget narrative – for simple projects, you can fold narrative into the budget itself; for more complicated budgets, a separate document may be easier to read

- The categories in the budget narrative should match the budget headings and order in which the items are presented in the numerical budget.

# Budget Tips

- Make sure your activities match your budget and vice versa.  If an item is added to your budget at the last minute, make sure that it is also described in your program description.
- Do the math and then do it again.  Don't trust Excel – use a calculator and check everything yourself.
- Calculate your per unit cost –  does it make sense?
- Show both revenues and expenses
- Specify the budget period

# Budget Tips

- Show the entire cost of the program, not just the portion for which you are asking support.
- If your request is for a particular project, indicate whether the project's budget is included in the total organization budget or is in addition to it.
- Keep your budget to one page if possible – it helps the reader to see everything at once.
- If you are using a fiscal agent, include information about the agreement between your organization and the fiscal agent.

# Attachments

- Board list – should contain the name of each board member and that person's business or affiliation; contact info is not necessary; *should be kept to one page*
- IRS Tax Determination Letter (aka 501(c)(3) letter) – should always be included; if your agency does not have one, you should explain that fact to the funder
- Resumes of key staff

# Attachments

- Financial information – standard pieces include your most recent 990 tax form; your most recent audit; and a list of current funders
  - You should always include your organization budget, showing both revenues and expenses, for the current fiscal year
- Annual report – the most recent version of your agency's annual report, provided it is no more than 18 months old

# Attachments

- Other items:
  - Newspaper clippings (1-2)
  - Letters of support
  - Photographs
  - Strategic report
  - Maps/diagrams/charts
  - DVD/CD

# Assembling the Proposal

- Double-check the funder's guidelines to make sure you have included everything requested and have your proposal in the proper format
- Do not waste money on fancy covers or complicated report binding - a well-placed staple is sufficient
- Foundation staff usually photocopy your proposal – make it easy for them to take apart
- Don't be too slick –  it can give the impression that resources are not going to services

# Assembling the Proposal

- A proposal should be neat, clean and easy to read:
  - Neat: no typos, no mistakes in the budget, and no inconsistencies in the format
  - Clean: no typos, no coffee stains, no ink streaks from the printer
  - Easy to read: no typos, lots of white space, margins of at least one inch on all sides, headings to signal different parts of the proposal, and a readable font size

# Grant Reporting

- Once your organization accepts a funder's money, it also accepts the responsibility of preparing and submitting a grant report
- Every funders' guidelines and deadlines are different – these are generally spelled out in your grant award letter
- If not required, you should still submit a report at the conclusion of the project or a year from the receipt of the grant

# Key Elements of a Grant Report

- Results and Impact – did you achieve your goals and objectives?
  - Your report should address each of the objectives outlined in your proposal
  - Provide concrete statistics about services delivered, clients served, etc.
  - If you didn't meet your objectives, provide an honest assessment about what you think went wrong or what led to your miscalculation

# Key Elements of a Grant Report

- Lessons Learned
  - Outline what your organization learned from the project, including unexpected challenges
  - Describe if you plan to tweak the project design based on what was learned
  - If applicable, discuss how you plan to disseminate the findings from your project

# Key Elements of a Grant Report

- Financial Statement - how was the funder's grant spent?
  - Include all costs associated with the project
  - Show all revenue received
  - Do not report on just the grant dollars if the grant was part of a larger revenue package
  - Point out and explain major changes from the original budget

# Key Elements of a Grant Report

- Sustainability Plan – how will you keep the project going?
    - Outline your plan for sustaining the program financially
    - This can be an opportunity to make a pitch for renewed funding

# Preparing an Effective Grant Report

- Follow the funder's guidelines
- Organize the report using subheads and bullet points
- Use charts and graphs to demonstrate findings and results
- Include stories about the people you helped
- Strive for brevity
- Meet your deadline
- Submit a report, even if one if not required
- Say thank you

# Grant Writing Tips

1. Program Planning = Good Proposals
2. Make sure you can accomplish what you propose
3. Pay attention to the Four C's –  clear, concise, connected and creative
4. Anything that raises a "red flag" should be explained
5. Know the difference between outputs and outcomes

# Grant Writing Tips

6. State how you will know if the project is a success in the evaluation section
7. Connect your request to the funder's priorities
8. Re-read the funder's guidelines to make sure you've included everything
9. Remember: someone has to read this
10. Have someone outside your field read the proposal