

# Writing a Successful Grant Proposal

By Barbara Davis

A funder's printed guidelines will tell you what you should include in a grant proposal. You will probably find, however, that most funders want substantially the same information, even if they use different words or ask questions in a different order. Some funders prefer that you fill out their applications or cover sheets. If the funder uses an application form, be sure to get a copy and follow the instructions.

You may use the Connecticut Common Grant Application Form if the funder you are approaching accepts it. Copies of the form are available from the Nonprofit Resource Center (860-493-1120) or the Connecticut Council for Philanthropy.

The following outline should meet the needs of most funders, or guide you when approaching a funder with no written guidelines. The outline is for a project proposal, and is most appropriate for a project that is trying to correct a problem, such as water pollution, school truancy or ignorance about how HIV/AIDS is transmitted (see page xx for variations on this basic outline). The grant proposal as a whole, not including supplementary materials, should usually be no longer than five pages.

*Note: Consider using the subheads throughout your proposal, such as "Organizational Information." They will help you, and your reader, keep track of what you're trying to say.*

## Summary

At the beginning of your proposal, or on a cover sheet, write a two- or three-sentence summary of the proposal. This summary helps the reader follow your argument during the proposal itself. For example:

"Annunciation shelter requests \$5,000 for a two-year, \$50,000 job training program for homeless women in southwestern Connecticut. Training will be offered at four rural shelters and will include basic clerical skills, interview techniques and job seeker support groups."

## Organizational Information

In two or three paragraphs, tell the funder about your organization and why it can be trusted to use funds effectively. Briefly summarize your organization's history. Describe your mission, whom you serve, and your track record of achievement. Clearly describe, or at least list, your programs. If they are many or complex, consider adding an attachment that explains them. Explain where you are located and who runs the organization and does the work and list all other details that build the credibility of your group. If there are other organizations in your geographical area working on the same issues, explain how they are different, and how you collaborate with them, if you do. If you have received funds from this grantmaker before, you don't need to begin again at the beginning. Just tell them what's happened since the last time you applied.

## Problem/Need/Situation Description

Here is where you convince the funder that the issue you want to tackle is important, and shows that your organization is an expert on the issue. Here are some tips:

- Don't assume the funder knows much about your subject area. Most funding staff are generalists. They will probably know something about topics like Shakespeare, water pollution and HIV/AIDS. But don't assume they are familiar with Troilus and Cressida, taconite disposal methods or Kaposi's sarcoma. If your topic is complex, you might add an informative article or suggest some background reading.

- Why is this situation important? To whom did your organization talk or what research did you do, to learn about the issuer and decide to tackle it?
- Describe the situation, if possible, in both numerical and human interest terms. Providing good data about your issue shows your organization is an expert in the field. If there are no good data on your issue, consider doing your own research study, even if it's a simple one.
- Describe your issue in as local a context as possible. If you want to educate about HIV/AIDS in your country, tell the funder about the epidemic in your country, not in the United States as a whole.
- Describe a problem that is about the same size as your solution. Don't draw a dark picture of nuclear war, teen suicide and lethal air pollution if you are planning a modest neighborhood arts program for children.
- Don't describe the absence of your project as the problem. "We don't have enough beds in our battered women's shelter" is not the problem. The problem is increased levels of domestic violence. More shelter beds are a solution.

### **Work Plan/Specific Activities**

Explain what your organization plans to do about the problem. What are your overall goals? You might say:

"The goals of this project are to increase the understanding among Minneapolis middle school students about the impact of smoking on their health, and to reduce the number of students who smoke."

Then go on to give details, including:

- 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 (musicians in the community band, kids doing summer clean-up in the parks) and the indirect beneficiaries (music lovers in the audience, 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 performance to how many audience members; how many HIV/AIDS hot-line calls answered by how many volunteers. It should be pretty 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 you get credit for being well prepared.
- Who is going to do the work and what are their credentials? (You may want to attach resumes of key people.) Some funders ask for the name of a project director. That's the person most responsible for the project, whether volunteer or paid. If you don't know yet who will do the work, explain who you will select the workers once you have the money.
- When will the project happen? Some funders will ask for the project start date and project end date. Those dates should bracket a series of closely related activities. In general, a project can be said to start spending money on it (most funders don't like to fund activities

that have already started). If it is a long project, you might include a timeline showing the different phases of activity.

- Where will the project take place?

You may not know the specifics to answer all these questions at the time you submit the proposal. But the more you know, the better your proposal will look.

### **Impact of 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 the babies your clients have.

The impact of the project is sometimes hard to define. What is the intended impact of a performance of Beethoven's Ninth Symphony, for instance? More often, impact is difficult impossible to measure. The desired impact of a stop-smoking program is quite clear, but it may be impossible for your nonprofit organization to 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 an increase in their self-esteem, but that is a fairly ambiguous concept that is difficult to measure.

To add to the difficulty, few nonprofits can prove conclusively that a given impact was directly caused 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.

### **Evaluation**

How will you know whether you achieved the desired impacts? If you have done a good job of defining them, all you need to do here is explain what information you will gather to tell you how close you came. Will you keep records of incoming hot-line calls? Will you have volunteers log their hours? Will you call your counseling clients six months after they leave the program to ask how they are doing?

Tell the funder who will gather the evaluation information, and how you will use it, once you have it.

### **Other Funding**

Here the funder wants to know if anybody else has committed funds or been asked to do so. Few funders want to be the sole support of a project (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 it). Funders generally expect you to ask more than one source for support.

### **Future Funding**

If you do this project again in the future, how will it be supported then? This is a very difficult question to answer effectively. Most funders don't want to fund the same set of projects forever. They would prefer to help projects get started and then move on to new issues, knowing that those projects will keep going with some other form of support. Many funders see their special role as funding innovation: supporting new approaches to old problems or finding solutions to new problems.

The problem for grantseekers is that most projects that are needed and effective and require grant support today, will still be needed and effective and require grant support tomorrow. What the funder really wants here is demonstration that you have thought about the project and that

you have a long-term vision and funding plan. If you don't have one, you'd better be thinking about it – if not for your funders, then for the success of your own project or organization.

### **Budget**

How much will the project cost? Attach a one- or two- page budget showing expected expenses and income of for the project. You can divide the expense side into three sections: personnel, direct project, and administration or overhead. Or you can use the budget format in the Connecticut Common Grant Application Form.

### **Expenses**

Personnel expenses include the expenses for all 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 twelve months on the project, the portion of time to be devoted to it. For example, if an employee will work half-time on the project from October through May:

Counseling director ( $\$25,000 \times 50\% \times 8 \text{ months}$ ) = \$8,333

Also consider time that other staff not directly involved in the project may have to contribute. For instance, the executive director has to supervise the counseling director:

Executive director ( $\$40,000 \times 5\% \times 8 \text{ months}$ ) = \$1,333

If you are using employees, 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 those costs equal to the portion of the person's time devoted to the project.

For contractors, you can show 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 wouldn't have if you didn't 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 somebody, for example, don't forget that you may have to pay to run 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 or overhead expenses are non personnel expenses you will have whether or not you do the project. But if you do the project, these are resources you can't use for anything else. For example, you may 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 it 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 so on. Other administrative costs could be phone, copying, postage or office supplies.

Be sure to read the funder's fine print on administrative or overhead expenses (sometimes called indirect expenses). Some funders won't allow you to charge any administrative expenses to the project. Some will tell you to charge a flat percentage of your direct expenses. Theirs 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 have the executive director whether or not you do the project, so she could be considered an administrative expense.

Carefully add all your expenses together for a total. (Incorrect addition on budget is one of the most common errors in a proposal.)

### Income

Your income will fit into two categories: earned and contributed.

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 arrived at the estimated earned income:

Ticket sales (\$10/ticket x 3 performances x 200 seats x 50% 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. This section should correspond to the Other Funding section in the text. For instance:

Ardendale Community Foundation (received)	\$5,000
City of Ardendale (committed)	\$2,500
Acme Widget Corporation (pending)	\$3,000
Jones Family Foundation (to be submitted)	\$4,000
Other foundations (to be submitted)	\$5,400

If you plan on seeking 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 have to get from all other sources to make the budget balance.

In-kind contributions are gifts of goods or services instead of cash. They could include donated space, materials, or time. If you list in-kind contributions as income in your budget, you must show the corresponding expenses. If someone is giving you something at a major discount, you would show the whole expense and then 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:	
Ardendale Community Ed. (classroom rental)	\$1,500
Jane Doe (curriculum consultant)	\$1,000
Parents of students (teacher aides)	\$800

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

In-kind can be important for three reasons. First, it shows all the ways the community is supporting your project even though not everyone is giving cash. Second, 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 you can simply add a footnote to the bottom of the budget, like this:

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

The third reason to show in-kind contributions is if you are in a matching grant situation. In that case, the in-kind income may be used as part of the match. For instance, if you are seeking a matching grant for a project with \$10,000 of cash expenses, the most you can ask for is \$5,000. But if you add on another \$2,000 of in-kind expenses, you can ask for \$6,000. Matching grantmakers generally have rules about how much in-kind you can use in your match, and how it must be documented.

### **Supplementary Materials**

Funders may ask for a variety of materials along with proposal itself. Almost all funders want at least the following:

- A copy of your IRS letter declaring you tax exempt. If your group is not tax exempt, you will need to apply through a fiscal agent, or fiscal sponsor. In that case, you will send a copy of your fiscal agent’s IRS letter.
- A list of your board of directors and their affiliations, such as “CPA,” “marketing director, Acme Widget” or “parent volunteer.”
- A financial statement from your last complete fiscal year. This includes a statement of that year’s income and expenses, and a balance sheet showing assets and liabilities at the end of the year. Some founders specify an audited statement. If you are too small to be audited, call to ask whether an audited statement is mandatory or just preferred.
- A budget for your current fiscal year. If you are well along in the fiscal year, you should also show actual income and expenses next to the budget projections.
- A budget for the next fiscal year if you are within three or four months of the new year.

Funders also may ask for other materials, such as a copy of your most recent IRS Form 990. If you don’t understand what is requested, ask. If you don’t have it, attach a note explaining why. You may also wish to attach resumes of key personnel as well as general information about your organization, such as newsletters, brochures or annual reports.

If you have a lot of supplementary materials, you could add a sheet listing them in the order in which they are attached.

Now put the whole thing together: the cover sheet (if appropriate), the proposal itself, the budget and the supplementary materials. Add a cover letter if you wish. Don’t put it in a fancy binder – a paper clip is fine. Be sure to note if the funder wants multiple copies of anything, or if a cover sheet needs to be signed by a staff or board member.

### **Variations on the Standard Outline**

The proposal format described above is most appropriate for a problem-based project costing \$5,000 or more. At time you will need to alter it to suit other circumstance.

### *Small project proposal*

If you are asking for a small amount of money (\$1,000 or less), you can put the whole proposal in the form of a two- or three-page letter, with required attachments. Use the same outline, but keep it short.

### *Non-problem-based project*

Many arts and humanities projects are not trying to solve a problem. A performance of Beethoven's Ninth Symphony is not usually a response to some societal malfunction. If that is your situation, you can alter this outline by deleting the situation description. After you have described your project, insert a new section in which you discuss the benefits of the project. Then proceed as usual.

### *General operating proposal*

Often you are asking for money not just for a specific project, but to support all your activities for one fiscal year. In that case, adapt the proposal as follows:

- Organizational information: No change. But if the funder has given you operating support for the preceding year, be sure to describe your achievements and activities during that year.
- Situation description: What issues was your organization founded to address? Why is your organization needed? (If yours is not a "problem-based" organization, you can skip this part and maybe beef up the organization information.)
- Work plan/specific activities: Use this section to explain what your organization plans to do during the year for which you seek funding.
- Impact of activities: What are the intended impacts for that year's activities?
- Evaluation: In general, how do you evaluate your work?
- Other funding: Who else is providing operating support for this year?
- Future funding: What is your long-term funding plan for the organization?
- Budget: You don't need a special project budget; your annual operating budget will do.

### *Capital or endowment proposal*

These are actually project proposals, so include all the same information as for a project proposal. How will this building project, or the creation or expansion of your endowment, help you do a better job of serving your community? But also write about your long-term plans for organizational health. Remember that the funder will want assurances that you will be around long enough to get the benefit of such a long-term grant.

## **Answers to Other Common Questions about Grantwriting**

### 1. Should I use a professional grantwriter?

There are lots of free-lance grantwriters in most communities who will write proposals for a fee. (Most experienced writers will not work on commission, however.) Here are some good reasons to hire a free-lancer:

- To write a good, basic proposal – "the mother proposal" – that your group can then adapt to suit different circumstances. After a year or so, however, your group should be able to do this on its own.

- To search foundation directories and identify likely funding sources. Again, your group should soon develop these skills internally.
- Because you have five proposals due in one week.

Here are some bad reasons to hire a free-lancer:

- Because your group wants grant money, but neither volunteers nor staff want to “dirty their hands” by asking for money. Seeking money is a core activity for most nonprofits. Learn to live with it.
- Because a free-lance fund raiser promises he can get you lots of money through his “connections.” By and large, particularly with major funders, projects are funded because of their worth, not because of connections.
- Because your group, which has never tried to raise money before, suddenly wants a lot of money for a big capital project. Alas, big money tends to go to groups with a long track record and solid funding base. There are exceptions, but don’t count on one coming your way. If you decide you want to hire a free-lancer, be sure to look at some writing samples and ask for the phone numbers of previous clients in your field.

## 2. What happens to my proposal after it reaches the grantmaker?

In some foundations, the staff screens out proposals that are ineligible or poorly planned or simply not within their current focus. The remaining proposals are researched by staff, who then write recommendations to 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, on smaller requests staff can make decisions alone. In still other foundations, the board sees every proposal unscreened by staff.

Unstaffed funders do not have the resources for a thorough review of each applicant. Thus they tend to fund things that are already familiar to their board, perhaps through personal involvement or because an applicant has been recommended by someone they know and trust. “Connections” can be helpful in applying to smaller, unstaffed funders.

## 3. What should I do if my proposal is rejected?

The letter giving you the unhappy news will probably be a form letter. But if you wish, and the funder is staffed, you may phone and ask, “Can you tell me anything that will help us another time?”

You may learn something encouraging. Perhaps they liked your proposal but just ran out of money; perhaps there was some tiny pint of confusion that is easily resolved. But don’t make such a call if you are feeling angry or combative. You are trying to get information, not argue a case in court.

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

#### 4. What should I do if my proposal is funded?

If your proposal is funded, you may just get 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.

Even if the funder doesn't ask for a report, send one. Show the funder how well you are using the money. If your project generates a newspaper article or other publication, send a copy. If it includes a public event, invite the funder to attend. If you get heartfelt letters of thanks from participants, send a sampling to the funder. Don't be like the stereotyped college student, who only writes home when he needs money.

What if you get some funding, but not what you wanted to do the project? For example, you had budgeted for \$50,000 but you could only raise \$35,000. You will then have to 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, explain the situation and ask if you can transfer their money to another project (which you describe fully). They might say yes. If not, then you must return the money.

#### **Conclusion**

Seeking grant money can be a time-consuming, frustrating activity. Among Connecticut's largest grantmakers, about one proposal in three is funded. You may find that you can get project money, but not the operating money you need to keep your basic activities going. You may be surprised by funders' generosity, but you may also be surprised by their periodic changes in focus, especially if those changes leave you on the outside looking in.

But remember that Connecticut has an extraordinary fund-raising climate. People from other states envy the major corporations and large family foundations that form the backbone of many of our innovative social and cultural programs. Behind many funders' doors are board and staff people who are thoughtful, careful, curious, well-educated about community issues and willing to help you. If you have a good project that has been carefully planned to meet some real needs, you will find people willing to talk with you and advise you. Good luck!