



Grants 101

Good fundraising is about relationships.

Question 1

Is your organization ready to apply for a grant?

Grant Readiness Red Flags

By Megan Hill with
additional comments
by Arthur Davis

ProfessionalGrantWriters.org

Here are four ways to tell a nonprofit is not ready to apply for a grant:

1. No other fundraising plan

If a nonprofit doesn't have other revenue streams (or at least a solid plan for putting those in place), they're not grant-ready. Funders look at their grant award as an investment and won't make that investment unless they know the organization stands on solid financial footing. Foundations want to know that they are not "alone" in the initial project funding and that you will be able to sustain the project after the grant period.

2. Few or no program details

If an organization is asking the grant writer (who is not a program director) to make up program details, that's a telltale sign of disaster. However, many grant writers can assist in program, evaluation and budget development. Are the program activities, objectives and measurable outcomes clearly defined?

3. A weak board of directors

If the board is small and does not include relevant experts, that can spell trouble. The board should also contribute their own donations and help connect the organization to other donors and funders.

4. A shifting mission

A nonprofit should never change its programs or its mission to fit a grant opportunity. Nor should a nonprofit create a program to fit a specific grant. It's just not best practice and shows a lack of grant savvy.

Grant Readiness Assessment Tool

Larry Crane, Howlett &
Bourque

“Getting Funded:
The Complete Guide
to Writing Grant
Proposals,” Susan
G. Komen Amarillo
Affiliate, Arthur Davis.

Leadership

1. Does your organization have a good governing structure and board of directors? Are board members committed and experienced? How many board members? With fewer than 6-12 board members, it's difficult to show community involvement and support.
2. Are there finance and fundraising committees of the board?
3. Is the board of directors active in raising funds for the organization?
4. Do all board members personally support the organization financially?
5. Do you have a visionary and capable executive director? For a startup organization, do you have a visionary, capable board that is sufficiently staffed and available to work
6. Is the executive director active in the community and in touch with stakeholders?

Impact

1. Can you describe the need that your organization addresses in society with facts and documented statistics?
2. Can you answer the question, “How will the world be different as a result of the organization's work?”
3. Can that difference (impact) be measured?
4. Can you state the goals and objectives of the organization in clear, measurable terms?
5. Do you have a visionary and capable executive director? For a startup organization, do you have a visionary, capable board that is sufficiently staffed and available to work
6. Can your nonprofit demonstrate a proven track record and documented outcomes? If it's a new program, do you have the credentials and support to make it successful?
7. What is your reputation for success in the community?

Strategic and Program Planning

Does your organization have documentation on the following elements?

1. *Mission*: your organization's unique reason for existing
2. *Vision*: how will the world look different in the future as a result of your work
3. *Values*: the organization's core beliefs about what is important and why
4. *Goals*: broad description of the impact you desire to have on a problem
5. *Objectives*: SMART = Specific, Measurable, Achievable, Results-oriented, Time-bound
6. *Strategies*: agency's underlying assumptions or theory of change
7. *Programmatic Activities*: what the programs do to fulfill the organization's mission
8. *Outputs*: the direct products of program activities (i.e. # of participants served, # of hours of service delivered, etc.)
9. *Outcomes*: benefits for participants, in terms of changes in attitudes, values, knowledge, skills, behavior, condition or status

Financial, Fundraising, Administrative, and Legal Capacity

1. Does your organization have an approved budget?
2. Is the organization currently balancing its operating budget?
3. Does the organization have a current, accurate financial statements?
4. Can you articulate your fundraising plan and why it's the right approach for your organization? Based on what track record?
5. Can your organization respond to deadlines and benchmarks in a timely manner?
6. Do you have the proper legal status to receive funds? Some grantors allow use of a fiscal sponsor.
7. Do you have the administrative and accounting support to accomplish and report on this project?

Project Articulation

1. Have you identified the dollar amount that the organization needs to raise through grants?
2. Have you defined the grant project, including goals and objectives, strategies and activities, timeline, management plan, project budget and sources of in-kind contributions?
3. Is the purpose of the proposal consistent with the mission and goals of your agency?
4. Can you explain the “competitive advantage” of your agency for this particular proposal?
5. Has the project and related grant-seeking been approved by the board?
6. Do you have or can you get the right staff for this project?

Funder Fit

1. Does the project meet the stated and actual focus areas of the funder? By reviewing the grantor’s website, 990’s through Guidestar, or the Foundation Directly Online, you may find that the stated focus areas are not fully representative of the actual awards.
2. Is the impact local/regional? If it is not local do you have funder interest and internal infrastructure for national/international projects and have you identified specific funders for those areas.
3. After reviewing website, giving history, and other data, have you contacted the funder to discuss the project and determine if it’s the right match?

External Relationships

1. Do you know who else in the community or field is doing similar work and can you articulate what makes your work distinct from theirs?
2. Do you have collaborative relationships with other entities doing similar work where those make sense?
3. Do you know how the reputation of your organization will affect this proposal?
4. Do you have active volunteers, in-kind contributions, and demonstrated community involvement and support?
5. Can you demonstrate substantial community involvement in governance (board), operations (volunteers), finances (donors, in-kind contributions), and broader impact (partner organizations).

Question 2

What information do you need to write a successful grant proposal?

Case Statement

A case statement is a general document that can be used to gather information for the development of a grant proposal. However, each grant proposal should always be tailored to address the specific vision and requirements of each unique grantor.

General Components

Organization Background

- What is your mission statement?
- When, where, and why were you founded?
- What needs and geographic location did you serve initially?
- Have you changed or grown?
- What programs and services do you provide in general?
- How many people did you serve? Describe the demographics of that population.

Needs Statement

- What problem is your organization trying to address? Why is it happening?
- How can you prove that it is a problem using statistics/research?
- Can you give an example of someone served by your organization?
- Without your organization, what are the long-term consequences for the community?
- Who else provides services to meet this need and why are you needed as well?

Program/Project Description

- What services do you provide and what is unique about these services?
- What is the purpose or goal(s) of these services?
- What research supports that these services will lead to change?
- Describe a typical day in your program.
- Who do you serve and what makes them unique?
- How do your clients/participants learn about your offerings?

Outcomes

- What are your expected outcomes?
- What changes do you expect to occur in your client's knowledge, situation, or skills?
- Tell the story of a person who was successful in your program.
- Are your goals SMART (Specific, Measureable, Achievable, Realistic, Timely)?
- What does success look like? (awards, media coverage, comparison with other programs)

Evaluation

- What tools will you use to measure the outcomes?
- Where will the data be collected and how will it be shared?
- How will the data be used to improve the program?

Budget

- What are your sources of revenue and expenses?
- How will the program be sustained in the future?

Question 3

Where can you find out about grant opportunities?

Foundation Directory Online

Essential

Includes information for nonprofits on U.S. Foundations and corporate donors. Some profiles are limited view in Essential and grant information and recipient profiles are available in Professional only.

Professional

Provides in-depth information for nonprofits on over 140,000 U.S. foundations and corporate donors, and over 8.5 million grants. This database includes funders' application information, limitations, and their funding interests.

For Indianapolis Folks:

Free Access to Foundation Directory Online through the Indianapolis Public Library

Access to the professional database is available only at the Central Library of Indianapolis.

The library also offers a **Nonprofit Program Series** with trainings on everything from obtaining a 501(c)(3) to using Foundation Center Online (see <https://blog.indypl.org/business/nonprofit-program-series/> for the latest schedule).

Prospect Research Overview

Prospect Research is the term used to describe looking for donors and funders. There are many databases that list different kinds of grant opportunities. Beyond identifying funders, it is important to qualify them. That means making sure that you are eligible to apply.

Where to identify

- Current and former donors, volunteers and clients
- Local media about recent grants awarded
- Donors to similar organizations
- Event sponsors of similar organizations
- Databases - Foundation Directory Online

Once identified, look at their website (if they have one) and/or their IRS Form 990 candid.org

- Contact Information
- Assets
- Amount of Grant Funding Given
- List of Directors
- How to Apply (in some cases)
- List of Grantee organizations and amounts

How to qualify?

- Does your organization have an existing relationship with them?
- Do they fund your cause?
- Do they fund in your geographic area?
- Do they accept unsolicited proposals?