
Maximizing Program Services Through Private Sector Partnerships and Relationships

A Guide for Faith- and Community-Based Service Providers

U.S. Department of Health and Human Services
Substance Abuse and Mental Health Services Administration
Center for Substance Abuse Treatment

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Introduction: Building New Relationships with the Corporate/Private Sector

The best way to do good to ourselves is to do it to others; the right way to gather is to scatter.

Seneca the Younger

Faith- and community-based nonprofit organizations have a long history of meeting the critical human needs of their communities, including those related to substance abuse and mental illness. Nonprofit organizations provide all types of services in these areas, such as treatment and counseling, recovery support, transportation, and housing.

Over the years, many faith- and community-based organizations have relied on charitable giving, donations, and State and Federal funding to preserve their services. Some have begun to seek relationships with corporations and private foundations to meet cash and other resource needs, such as food, furniture, and staff. In the long run, support from these partners can help these organizations solve complex community problems.

Scope of This Handbook

This handbook provides faith- and community-based organizations with specific, practical guidance about the fundamental aspects of engaging corporate givers and foundation grantmakers. Professionals representing corporations, foundations, and trusts, as well as nonprofit faith- and community-based organizations, helped develop the handbook.

The businesses described in this handbook can range from small local businesses, such as a grocery store or dry cleaner, to large corporations, such as General Motors. The handbook uses the term “corporation” to refer to all businesses, regardless of size or type. The handbook also describes the various forms of foundations. Foundations are nongovernmental, nonprofit organizations with funds and programs managed by their own trustees or directors. Private foundations are established to maintain or aid social, educational, religious, or other charitable activities. Thus, they often fund programs that address critical community problems.

This document aims to help organizations that provide services for substance abuse and mental illness. However, you can apply the basic principles described here to any human service endeavor. The guidance in this handbook can help you learn to expand and sustain services, enhance effectiveness, and diversify funding streams.

The chapters also provide tips on marketing your organization and writing grant proposals, as well as points to consider when collaborating with businesses or foundations. Throughout the handbook, examples depict the specific needs of community and faith-based organizations. In addition, case studies of successful relationships showcase the scope of creative and beneficial partnering arrangements.

This handbook has five chapters. Each chapter addresses an aspect of developing effective relationships with private sector organizations:

1. Assess Your Organization's Strengths and Needs
2. Seek Multiple Sources of Support
3. Attract Corporate Partners
4. Submit a Strong Grant Proposal
5. Build and Sustain Relationships.

The appendixes at the end of this handbook include sample grant application and reporting formats, a glossary, references, and print and Web-based resources.

The guidelines in this handbook are meant to be a starting point. They will need to be customized to meet the circumstances of communities and organizations. In addition, potential funders are unique, and not all approaches will reach all of them effectively.

Chapter 1: Assess Your Organization's Strengths and Needs

Determine that the thing can and shall be done, and then we shall find the way.

Abraham Lincoln

Every organization has assets and limitations that may influence its effectiveness and ability to grow. Before you attempt to develop relationships with the private sector, you need to assess your organization. This process will help you develop a clear picture of what your organization has to offer and how outside assistance may improve your organization's capacity. This chapter discusses several aspects of organizational assessment, including:

- ▶ Defining your mission and goals.
- ▶ Identifying assets and needs.
- ▶ Determining the appropriate relationships to pursue and their strengths and challenges.

Define Your Mission

Every nonprofit organization needs a vision of what it hopes to achieve and a strong mission statement that guides the organization's work. Mission statements may vary in length, content, format, and specificity. However, an effective mission statement conveys an organization's reason for being, purpose, benefit to the community, and uniqueness. A well-developed mission statement benefits an organization by defining its direction, focus, policy, meaning, challenge, and passion. A mission statement also helps an organization to:

- ▶ Make consistent decisions.
- ▶ Motivate others.
- ▶ Build organizational unity.
- ▶ Integrate objectives with goals.
- ▶ Enhance communication.
- ▶ Market itself.

When writing the mission statement for your organization, or revisiting your existing mission statement, consider the following questions:

- ▶ Who is your audience? Whom do you serve?
- ▶ What are your services?
- ▶ Where will the services be delivered?
- ▶ How will the services be implemented?
- ▶ What are your core beliefs, values, and priorities?
- ▶ What will be the community and individual impact?

Resources for additional information can be found at the end of this chapter, and sample mission statements appear in Appendix B.

Mission Statement: YMCA of San Diego County

The YMCA of San Diego County is dedicated to improving the quality of human life and to helping all people realize their fullest potential as children of God through development of the spirit, mind, and body (www.ymca.org) [accessed 10/12/05].

Define Your Goals and Objectives

After defining your organization's mission, develop its goals and objectives. Goals and objectives tell how you will support your mission and what you hope to achieve. They also show where your organization is going.

Goals are based on your vision and mission. They are abstract statements about what your organization wants to accomplish. In developing goals, it helps to ask these questions:

- ▶ What are you trying to *achieve*?
- ▶ What are you trying to *preserve*?
- ▶ What are you trying to *avoid*?

After setting your organization's goals, decide on your objectives. Objectives are concrete and measurable steps in achieving goals. Try to develop objectives that are **SMART**:

- ▶ **Strategic:** They will help your organization fulfill its mission.
- ▶ **Meaningful:** They will support your organization's vision.
- ▶ **Attainable:** They can be achieved by taking specific actions.
- ▶ **Realistic:** It is possible and reasonable that your organization can meet them.
- ▶ **Trackable:** They can be recorded and measured over time.

Sample Goal and Objectives: 4-H Community Service Learning

4-H involves youth in various community projects and participates in the Leadership To Keep Children Alcohol Free coalition. A sample goal and related objectives for its Community Service Learning program follow:

- **Goal:** Students shall develop their abilities to apply core concepts and principles from mathematics, the sciences, the arts, the humanities, social studies, practical living studies, and vocational studies to what they will encounter throughout their lives.
- **Related Objective:** Students understand the democratic principles of justice, equality, responsibility, and freedom and apply them to real-life situations.
- **Related Objective:** Students interact effectively and work cooperatively with the many ethnic and cultural groups of our Nation and the world.

Source: University of Kentucky. "4-H Community Service Learning." Lexington, KY: University of Kentucky, no date. www.ca.uky.edu/agcollege/4h/resource/servlern.htm [Accessed 10/12/05].

Assess Your Organization's Strengths and Needs

Once you define your organization's mission, goals, and objectives, you will have a picture of where you want your organization to go. The next step is to understand where your organization is now. You will need to look at the resources available within your organization, as well as outside factors that affect your organization.

One effective way to gain insight into your organization's operations is through a SWOT analysis, which examines your organization's

- ▶ Strengths, such as staff expertise and a successful track record.
- ▶ Weaknesses, such as an inactive board of directors, an ineffective volunteer program, or inefficient processes.
- ▶ Opportunities, such as grants or corporate philanthropic programs.
- ▶ Threats, such as a poor economy or lack of public understanding about a community problem.

Using a SWOT Analysis

- ➔ Determine how to use strengths to take advantage of opportunities.
- ➔ Determine how to use strengths to overcome threats.
- ➔ Determine how to overcome weaknesses to take advantage of opportunities.
- ➔ Determine how to minimize weaknesses to overcome threats.
- ➔ Identify potential relationships your organization should pursue and determine how these relationships can benefit your organization and the potential partners.
- ➔ Identify whether these relationships will be short or long term.

A SWOT analysis looks at an organization's strengths, which may help its progress, and its weaknesses, which may hinder it. A SWOT analysis also looks at how external factors, such as opportunities and threats, may affect an organization's progress. This activity may tell you about your organization's areas of need (e.g., training, other program components) and the resources that might help. It also may shed light on the types of partners that could provide these resources and the partnership arrangements that would be best for your organization.

Consider Working with Businesses and Foundations

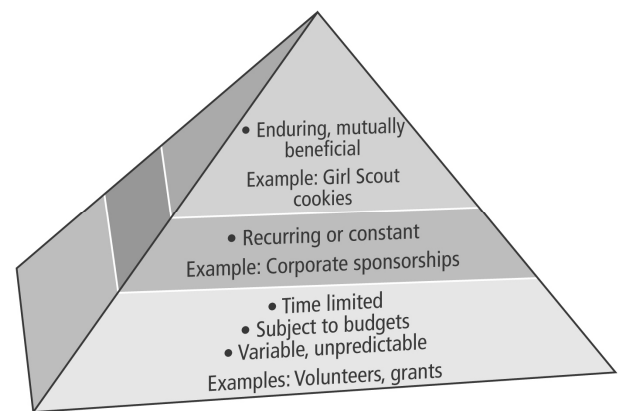
Working relationships between organizations and their business or foundation partners take many forms. Relationships with private sector partners can be informal arrangements, such as a local company offering to gather winter coats and other gear for a homeless shelter. They also can be formal agreements, such as 3-year grants from a large foundation. In this handbook, we use the term "partner" to refer to a community, organization, or group with whom you associate and collaborate for services.

Relationships with businesses and foundations can result in financial and other tangible support for your organization, as well as increase future opportunities for funding. However, these relationships also involve the sharing of information, resources, and data that will give you much-needed background and support for your project ideas. Working with partners also can save you time and increase community buy-in for your work.

Examples of Community-Corporate Relationships

- ➔ The Girl Scouts purchase cookies from licensed bakers and then sell them in the community. All proceeds go to the local troops that sell the cookies. The organization makes money and teaches valuable skills to the girls.
- ➔ Businesses across the country support Operation Outreach USA to help increase literacy and improve school performance. Car dealers in all 50 States support the program. For example, the owner and staff of Rappahannock Motors in King George, Virginia, mentor and support more than 1,700 students.

The pyramid shows different types of partnership arrangements. As shown in the graphic, relationships can vary in terms of their level of commitment, their staying power, and the degree to which they are beneficial to both groups. The top of the pyramid depicts a mutually rewarding relationship that allows an organization and its partner to work toward a common goal. In this scenario, both parties share responsibilities, tasks, roles, skills, capabilities, and resources. Although the enduring, mutually rewarding relationship may be ideal, all types of relationships can help your organization grow and thrive.



Levels of Partnership Arrangements

Consider some of the options that are available to your project or program:

- ▶ Donations from corporate foundations.
- ▶ Donations from corporate profits, such as matching gifts, in which corporations match employee donations.
- ▶ Volunteer or staff support.
- ▶ Donations of meeting space, office supplies, or equipment.
- ▶ Discounts on products and services.
- ▶ Corporate sponsorship for an event or project.
- ▶ Seed money for a new program.
- ▶ Grants from the Federal Government or foundations.
- ▶ Income through cause-related marketing. Corporations can promote their products in a way that produces cash income for a charitable recipient. For example, Target has a Target Takes Charge of Education program in which the company donates a percentage of Target Visa and Target Card purchases to schools for various education programs.

Types of Grants and Other Financial Support

- ➔ General support for the overall organization.
- ➔ Project support for a specific piece of work.
- ➔ Endowment grants: Bequests or gifts intended to be kept and invested to provide income for continued support of an organization. Earnings from endowments support the costs of operations.
- ➔ Fellowships and scholarships: Financial giving that supports the work of specific individuals. Fellowships and scholarships may be a part of a project grant.
- ➔ Capital grants: Typically, these refer to grant awards to pay for buildings and/or equipment.
- ➔ Loan guarantees: Some foundations will agree to serve as a guarantor on a loan an applicant is receiving from commercial sources.
- ➔ Program-related investments: Some foundations will make low-interest loans to a nonprofit organization.

Understand the Strengths and Challenges of Relationships

You will need to weigh the benefits and challenges of potential partnership arrangements carefully. Some of the benefits include the following:

- ▶ Building project support and sustainability.
- ▶ Sharing information about your community.
- ▶ Sharing resources and data.
- ▶ Obtaining buy-in and validation.
- ▶ Developing solid public relations.
- ▶ Promoting cultural sensitivity.
- ▶ Encouraging community dialog at all levels for project design and service delivery.

Examples of Faith-Based and Private Sector Relationships

- ➔ Through the Church Council of Greater Seattle, AmeriCorps VISTA members are developing partnerships to improve elementary school tutoring programs. The churches, schools, and youth organizations involved in the partnership specifically aim to improve the reading and math skills among participating students.
- ➔ Since 1996, the Robert Wood Johnson Foundation has awarded Faith in Action grants to 36 Retired and Senior Volunteer Program (RSVP) and Senior Companion projects. Senior volunteers help people with disabilities who are living at home, including frail older persons. The volunteers work in formal partnership with faith congregations and health and social service provider agencies.
- ➔ In eight cities, the National Jewish Coalition for Literacy provides tutors and reading partners for children in early elementary school grades. AmeriCorps Promise Fellows act as liaisons between the Jewish community and literacy programs. They also help promote involvement with childhood literacy programs within various Jewish institutions.

Source: “National Service and Faith-Based Organizations.” Washington, DC: Corporation for National and Community Service, no date.
www.nationalservice.org/news/factsheets/faithbased.html [10/12/05].

In spite of these benefits, relationships with the private sector also may pose risks and challenges that warrant consideration:

- ▶ Lack of trust about forming a long-term relationship.
- ▶ Loss of identity over time.
- ▶ Unequal power and control.
- ▶ Failure to recognize the different cultures of the partners (e.g., communication styles).
- ▶ Unclear roles, responsibilities, and leadership.
- ▶ Confusion about the nature and style of involvement.

To deal with these challenges, you may need to make compromises. However, you need to be sure that your partner's mission is compatible with yours. For example, you may not be comfortable partnering with a company that produces alcohol, even if it promotes responsible drinking.

Other tips for managing risks and challenges are to

- ▶ Define roles, responsibilities, and the nature of the partnership up front and in writing.
- ▶ Identify common goals and the anticipated benefits of the partnership.
- ▶ Establish methods for clear communication.
- ▶ Allow time to develop relationships and adjust to different work styles.
- ▶ Establish timelines.
- ▶ Establish training activities for your staff and those of your partner.
- ▶ Identify ways to share resources to work toward common goals.
- ▶ Find ways to broaden your base of support to maintain enthusiasm and commitment.
- ▶ Establish good community relations to increase the ability to anticipate and resolve problems.
- ▶ Maintain connections to key leaders in the community.
- ▶ Do what you can to help your partner, such as publicly acknowledging your partner's contribution. Show your partner how the effort is improving people's lives. Provide your partner with feedback on outcomes, including quantitative data if possible (e.g., percentage increase in the number of clients who are maintaining sobriety, number of people who are living in your housing).

Chapter 2: Seek Multiple Sources of Support

Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.

Margaret Mead

Many potential partners exist in the community, from small, local businesses and foundations to those that operate on a large, national scale. To maximize your chances of gaining support, you should learn about their needs, assets, culture, capacity, and place in the community. Research will help you identify appropriate collaborators that are interested in your organization, community, and mission. Most importantly, you will want to find corporations and foundations that are compatible with your organization and that have the resources to respond to your organization's needs. This chapter discusses how to identify sources of funding and other support that can assist you with maintaining and expanding your services.

Identify Sources of Funding and Support

Your faith- or community-based nonprofit organization will benefit from securing multiple sources of funding and support. Having multiple funding sources will enhance your ability to deliver services that are effective and of high quality. In addition, it will help to ensure your services' sustainability, even if one funding source "dries up" (e.g., a Federal grant program ends).

The section below details various types of funding and support. Your organization can secure giving in all these categories to sustain various program components or activities. Examples include:

- ▶ Transportation donated by a local business.
- ▶ Child care, clerical support, and mentoring provided by volunteers.
- ▶ Cash, generated by fundraising and the sale of products, that can be used to pay the salaries of therapists.
- ▶ Food donated by restaurants.
- ▶ Office space funded through grants.
- ▶ Furniture, phones, and supplies donated by corporations.

Grants

- ▶ **Federal Grants:** Federal agencies provide information on the competitive grants they offer, guidelines that must be met to qualify, and procedures for application. Grant information is available from guides and newsletters, hotlines, agency-specific Web sites, and other sources. A list of current funding opportunities is available through grants.gov. Funding opportunities through the Substance Abuse and Mental Health Services Administration can be found at www.samhsa.gov/grants.

- ▶ **State and Local Grants:** State and local governments also award grants. Like Federal grants, grantmaking by State and local governments may vary over time with changes in the political and economic climate. Information on State and local grants is available from guides and newsletters, hotlines, agency-specific Web sites, and other sources.
- ▶ **Foundation Grants:** Public and private charitable foundations provide financial support to address specific community needs. These organizations generally award grants in response to written requests for support from established nonprofit organizations. Most foundations are organized under strict guidelines of the Internal Revenue Service (IRS).

Examples of Funding Sources

- ➔ Hudson's Bay Company (Hbc) Rewards Community Program allows community and charity groups to register with Hbc so that their supporters can donate Hbc Rewards points directly. Customers can allocate the percentage of their points they wish to donate. Community groups receiving these donations can use the points to select merchandise or gift cards to support fundraising activities
- ➔ The Health Foundation of Greater Cincinnati funded Dohn Community High School to implement a program to educate students who have failed in other schools due to problems with substance abuse. In this unique school, students can continue their education while participating in prevention and intervention activities that are integrated into the program.
- ➔ The Birmingham Foundation gave a grant to Saint Paul's Retreat Center to support a weekend retreat program for people in recovery. A portion of the grant supported evaluation and strategic planning to improve the center's services.

Gifts

- ▶ **Charitable Donations from Individuals:** Individuals can provide an annual gift or multiple donations each year to a cause they care deeply about. In addition, by making these donations, individuals can reduce their annual taxes. Understanding the general tax benefits of individual giving will help you explain and encourage this option when speaking with potential donors. Individual donations constituted about three-quarters of charitable giving in 2004, according to the Giving USA Foundation. Individual donors tend to be more dependable and consistent over time than other forms of giving.
- ▶ **Corporate Giving:** Profitmaking companies can give gifts or grants directly to charitable organizations. Direct corporate giving programs do not have a separate endowment. Their expense is planned as part of the company's annual budget and usually is funded with pretax income.
- ▶ **In-Kind Contributions:** In-kind contributions are donations of goods or services rather than cash or appreciated property. Be proactive in letting local groups, corporations, agencies, and community organizations know what you need and how they can help you.

Fundraisers

- ▶ **Fundraisers, Drives, and Benefit Events:** Fundraisers, drives, and benefit events can attract attention to a cause and raise cash, clothing, food, or other resources. Organizations can do fundraising over the phone, online, by mail, or at a specific event. A benefit event can be an effective way to raise funds, especially if the planners can secure donated entertainment,

space, and food. However, these donations are rare, and without them such events can be costly. Therefore, inexperienced groups might want to consider other strategies.

- ▶ **Online Fundraising:** Some organizations use charity portals, Web sites that offer a directory of nonprofits. Visitors who access the portals can read about different nonprofits and decide where to make donations. Listing an organization on a charity portal is generally free, and the portal can accept secure credit card contributions on behalf of the nonprofit. Examples of charity portals include NetworkForGood.org, Charitableway.com, 4charity.com, GreaterGood.com, and Groundspring.org. If you decide to list your organization on a portal, keep your listing up to date. In addition, if your organization has its own Web site, include a “donate” button so that users can do so easily and securely.

For-Profit Activities

- ▶ **For-Profit Ventures:** Another way to diversify funding is to create a for-profit arm of your organization. One New York homeless shelter created a successful catering business, while a treatment center in the Southwest opened a T-shirt embroidery and imprinting shop. In addition to generating cash flow, these ventures can offer clients hands-on work experience in a paying job. Before entering into such a venture, be sure to research the tax implications and any bookkeeping requirements.

Look into Potential Partners

Some businesses get involved in community activities and may donate or invest money or supply other support. With a bit of homework, you can find out about the many resources in the business community. Similarly, you can learn about the foundations that can help your organization. According to The Foundation Center, more than 66,000 foundations operate in the United States. Most are small and unstaffed, run by volunteer boards or professionals (bank trust officers or lawyers). Because of the number and variety of foundations, your research will be invaluable.

To research corporations and foundations, turn to these sources of information. Many of them are available online or at your local library:

- ▶ Company and foundation Web sites.
- ▶ Chambers of commerce.
- ▶ Media, including the trade press. In addition, articles published in local newspapers may provide insight into companies in the community that are doing well.
- ▶ Directories of corporate information, such as *Standard & Poor's Register*, *Directory of Corporate Affiliations*, and *National Directory of Corporate Public Affairs* (development offices at universities and large hospitals may be willing to share copies, and copies may be available from a local business or library).
- ▶ The Foundation Center directories, including *National Directory of Corporate Giving*, *Corporate Foundation Profiles*, and *The Foundation Directory Online* (see below for more information on The Foundation Center).
- ▶ Taft Group directories, including *The Directory of Corporate and Foundation Givers*, *Corporate Giving Directory*, *Directory of International Corporate Giving in America and Abroad*, and *Corporate Giving Yellow Pages* (www.gale.com/taft.htm) [accessed 10/12/05].

- ▶ Fundraising and nonprofit periodicals, such as the *Chronicle of Philanthropy*, *Corporate Philanthropy Report*, and *Corporate Community Relations Letter* (these publications may be available at libraries and university and hospital development departments).
- ▶ Annual reports.
- ▶ Form 990-PF tax forms that private foundations file annually with the IRS. (The Form 990-PF is the Return of Private Foundation.) These forms are available through the GuideStar Web site at www.guidestar.org [accessed 10/12/05] and The Foundation Center Web site at www.fdncenter.org [accessed 10/12/05]. (See the Web-Based Resources section in Appendix B for more information about these resources.)
- ▶ The Foundation Center “RFP Bulletin” (<http://fdncenter.org/pnd/rfp/>) [accessed 10/12/05], a free resource to find requests for proposals from foundations.
- ▶ Word of mouth.

A wealth of information and resources is available from The Foundation Center. The Foundation Center is a national nonprofit organization that provides thorough, up-to-date information on U.S. grantmakers, including foundations and corporations, through its print and electronic directories. *FC Search: The Foundation Center’s Database on CD-ROM* and *The Foundation Directory Online* (available via Internet subscription) provide comprehensive, fully indexed databases of U.S. grantmakers and their grants. Using these resources, you can select multiple, personalized criteria to create customized lists of potential funders.

The Foundation Center makes this information available to the public through its network of regional foundation reference libraries, called “cooperating collections,” around the country. Each library has the same basic collection of information on State and national foundations and corporate giving programs. The collections also maintain supplementary material on grantsmanship, fundraising, and philanthropy. All provide free access to *FC Search* or *The Foundation Directory Online*. To access additional information or to locate resources near you, visit the Web site at www.fdncenter.org [accessed 10/12/05].

When researching potential partners, look for corporations and foundations with a record of awarding grants to organizations that are like your own. Focus on those that are in your geographic region or fund organizations in your area. As your search continues, narrow your list to the best prospects. Find out as much as you can about these businesses and foundations before you decide to contact them. Eliminate from your list companies or foundations with limitations that prevent them from funding your organization, such as geographic restrictions.

While doing your research, consider what businesses and foundations look for in an organization (see box). You also should be aware of some of the “pet peeves” of corporate and private funders, such as organizations that

- ▶ Fail to follow the stated grant proposal guidelines.
- ▶ Do not tailor requests to specific funders (e.g., use an obvious mail merge).
- ▶ Ignore procedure, for example, by going directly to corporate executives rather than the donations department.
- ▶ Ask for an amount of money that is inconsistent with the organization’s average gift size.
- ▶ Submit grant proposals with typos, misspelled words, and poor grammar.

- ▶ Fail to articulate clear goals and anticipated results.
- ▶ Have not done their homework before they ask for support.

Narrow Your Options by Finding the Best Fit

Brainstorm ideas about the types of partners that might be a good fit for your organization. These partners can include large and small corporations and foundations, other faith-based organizations and places of worship, service providers, volunteers, and community groups. The table shows key differences between businesses, foundations with large staffs, and foundations with small staffs.

What Qualities Do Businesses and Foundations Value?

Typically, businesses and foundations are looking to help organizations that

- ➔ Have a mission and services that match their own goals or funding interests.
- ➔ Work with other organizations and avoid duplicating efforts.
- ➔ Have a plan to address a local, regional, or national problem.
- ➔ Will keep communication going over time, reporting on progress and achievements and any unforeseen challenges that affect success.
- ➔ Will recognize their contribution and improve their public image (this applies to businesses more than foundations).
- ➔ Have a history of stability with strong leadership and effective governance.
- ➔ Are focused on results and have a track record of success.
- ➔ Are fiscally sound and effectively use resources.
- ➔ Have multiple sources of support (e.g., in-kind donations from other entities, monetary donations and volunteers from a congregation).

The types of partners are described below to help you assess their appropriateness for a cooperative arrangement with your organization.

Corporate Partners

Corporate partners may include small or large businesses with offices or facilities in your community or region or involvement in programs in your area of interest. They can be as large as Microsoft or as small as the neighborhood grocery store. Before searching for a corporate partner, think about the fit between your cause and various types of companies. Businesses generally look for causes that mesh with their objectives and will be viewed favorably by the public.

Good cause-company fits include

- ▶ A family restaurant and a children's charity
- ▶ A cookware or food service company and an organization working to end hunger
- ▶ A building supply company and an organization that builds playgrounds
- ▶ A toy company and a community center.

When considering corporate partners, remember that your employees or congregation members may have business ties. You also can check with

- ▶ Board members
- ▶ Donors
- ▶ Volunteers
- ▶ Vendors
- ▶ Accountants, attorneys, and other professionals with whom you work.

Don't overlook these connections as possible inroads to information, meetings, and partnership arrangements. Talk to the people with connections to get as much information and advice as you can.

After getting an idea of some potential corporate partners, consider these questions about each one:

- ▶ Does the firm have any significant business, facility, or number of employees in your community?
- ▶ Is the nature of the firm's business related in any way to the type of project you are attempting to support?
- ▶ Does your organization deal with issues that are of unique importance to the firm or its industry?
- ▶ Is there any unique benefit to be gained by the firm from being associated with your project? Publicity? Visibility with key customers?
- ▶ Does the firm sell substantial products or services to your primary constituency?

Last, you need to understand the world of your prospective partners. Reading business publications regularly will provide insight into how businesses work and communicate.

Foundation Partners

A foundation is a nongovernmental, nonprofit organization with funds and programs managed by its own trustees or directors. Private foundations are established to maintain or aid social, educational, religious, or other charitable activities. Often, foundations are created with a single source of funds, such as from an individual, family, or corporation. They generally make grants or operate programs with the income earned from investing the funds.

In spite of the large number and variety of foundations, foundation giving only accounts for about 11 percent of charitable donations, according to the Giving USA Foundation. Because of the specific nature of foundation giving, you'll need to determine which types make sense for your organization. The definitions below are derived primarily from those of the Council of Michigan Foundations (2005).

- ▶ ***Independent Foundation:*** A fund or endowment designated by the IRS as a private foundation under the law, with the primary function of making grants. The assets of most independent foundations come from the gift of an individual or family. Independent foundations also may be known as "general purpose" or "special purpose" foundations. According to The Foundation Center, approximately 59,000 independent foundations

operate in the United States including, for example, the W.K. Kellogg Foundation and the Ford Foundation.

Family Foundation Statistics

The Family Foundations' 1998 study of independent foundation funding and trends found that

- Three out of five family foundations held assets of less than \$1 million.
- The top 1 percent of family foundations provided half of all giving.
- Most family foundations limited giving to their local communities, States, and regions.
- Among individual States, New York held the largest share of family foundations by number and total giving, while California foundations maintained the largest share of assets.

Source: The Foundation Center. "Key Facts on Family Foundations." New York: The Foundation Center, 2005.

www.fdncenter.org/research/trends_analysis/pdf/key_facts_fam.pdf [Accessed 10/12/05].

- ▶ **Family Foundation:** A type of independent foundation established by an individual donor, with the donor or the donor's family playing a significant governing role. Family foundations may be different from other types of foundations because of their personal nature. When working with them, sensitivity is needed to ensure that the family's wishes are respected. Examples include the Kaiser Family Foundation and the Lowe Family Foundation. More information on family foundations is available in The Foundation Center's 2005 "Key Facts on Family Foundations."
- ▶ **Company-Sponsored Foundation:** A private foundation under the tax code that gets its funds from a profitmaking company or corporation but is independently constituted for the purpose of making grants. Company-sponsored foundations are legally distinct from contribution programs administered within the corporation directly from corporate funds. About 2,500 company-sponsored foundations exist in the United States, according to The Foundation Center. Examples include the Coca-Cola Foundation and the Weyerhaeuser Company Foundation.
- ▶ **Operating Foundation:** A fund or endowment designated under the tax code as a private operating foundation, with the primary purpose of operating research, social welfare, or other programs determined by its governing body or charter. The Carnegie Foundation for the Advancement of Teaching and the Harry Singer Foundation are examples of operating foundations.
- ▶ **Public Foundation (Also Known as Public Charity):** A foundation that redistributes funds that have been raised primarily from the public. Usually, the funds are raised through fundraising campaigns. In contrast, private foundation grantmaking usually is calculated from the earnings on assets of an endowment fund. The United Way and Red Cross are examples of public foundations.
- ▶ **Community Foundation:** A public foundation that compiles funds from many donors set aside for a specific geographic area. Because it is classified under the tax code as a public foundation, it is subject to different rules and regulations than private foundations.

However, in its general charitable purposes, a community foundation is much like a private foundation. About 700 community foundations operate in the United States, according to The Foundation Center. Examples include the California Community Foundation and Illinois Clean Energy Community Foundation.

When considering foundations, begin your list with foundations whose recent grant awards indicate a possible interest in your type of project and geographic area. You might need multiple grants, such as three \$10,000 grants to fund a \$30,000 project.

Characteristics of Businesses, Large Foundations, and Small Foundations

| | Businesses | Large Foundations | Small Foundations |
|---------------------------------------|--|--|---|
| Priorities | Guided by the self-interest of the company | Interested in programs of national significance that often are on the cutting edge of change and programs that can serve as models | Often have broad interests relevant to their geographic region or the concerns of family members (if a family foundation) |
| Types of Giving | Employee volunteer hours, matching funds, investments in programs, sponsorship of programs or events, discounts on products or services, direct donations through a corporate giving program or corporate charitable trust, grants | Grants for operations or programs | Grants for operations or programs |
| Scope | May be international, national, regional, or local | Usually national | May have a limited geographic area |
| Application Process | More formal, such as a request for proposals or an application | More formal, such as a request for proposals or an application | More informal, such as a letter or a brief proposal |
| Staff | May have staff designated for community relations | May be well staffed with individuals who are knowledgeable and active in the fields of interest | May be staffed by volunteers |
| Marketing and Public Relations | May sponsor events or projects and want their logo displayed | May or may not want their name mentioned | May be very private and shun publicity |
| Site Visits | Generally do not conduct visits | May conduct visits | May conduct visits |

Other Types of Support

Other partnering arrangements can be as plentiful as you can imagine. The list below highlights a few examples. This list is organized by the three broad categories in the pyramid graphic in Chapter 1.

Enduring, Mutually Beneficial

- ▶ Social service agencies can help expand an organization's continuum of care by providing complementary professional services, such as counseling or medical care. Similarly, churches and other houses of worship can supply wraparound or recovery support services, such as child care, mentoring, spiritual guidance, or transportation.
- ▶ Businesses can donate computers and supply volunteers for technical support, tutoring, painting, and other types of work.
- ▶ Volunteers can fill professional positions, run fundraising events, and help expand services.
- ▶ Nonprofits may lend their names and "seals of approval" to corporate products. In return, the nonprofits gain visibility, encourage the public to use products they believe in, and receive some of the proceeds of product sales.

Recurring or Constant

- ▶ Youth groups can collect toiletries for clients of a treatment program.
- ▶ Grocery stores can help with food drives.
- ▶ A high school student can set up and maintain a nonprofit's Web site.
- ▶ A senior citizen's group or a jobs program for persons with disabilities can help with mass mailings.
- ▶ Corporations may funnel charitable donations to nonprofits on behalf of their customers. AT&T customers, for example, have donated their signup bonuses to the March of Dimes.
- ▶ Pharmaceutical companies may sponsor dinners and other events, particularly for nonprofits that service clients' medical needs

Time Limited, Subject to Budgets, Variable, and Unpredictable

- ▶ A university evaluation department can assist an organization with its program evaluation.
- ▶ A library can donate meeting space for literacy classes.
- ▶ Restaurants can donate end-of-day leftovers.
- ▶ Local radio stations can make announcements about an organization or interview staff and clients on the air.
- ▶ Department stores can donate clothing, furniture, and appliances.
- ▶ Corporations may sponsor events, such as a prevention festival, in exchange for some form of recognition (e.g., display of the corporation's name and logo).

Select Your Potential Partners

Your organization may be tempted to partner with any willing entity, but it's important to consider how the relationship will affect your organization. For example, if a partnership has too many "strings attached," you might find it too risky to pursue. You need to exercise caution when choosing partners, seeking those that will be profitable and consistent with your mission. The partnership between the Asian Art Museum of San Francisco and Target Corporation is one example. Target sponsored "Target Tuesdays," during which visitors got into the museum at no cost and could win door prizes donated by Target. Target gained visibility, particularly among regular museum-goers, and the museum gained exposure among Target customers and employees.

Plan To Maintain and Expand Your Funding Base

Planning to maintain your funding and expand your funding base is a vital, ongoing task. You need to set aside regular time to consider your project's funding, search for new opportunities, and brainstorm for new resource ideas. To begin, gather a planning group of dedicated people (e.g., employees, volunteers, clients, board members) to help identify potential resources for goods, funding, and other resources.

Resource Development Tips

- ➔ Develop long-term relationships when your organization is not under pressure to find immediate funding. Look for opportunities to network, introduce your organization, and share knowledge and publications. Grant opportunities often develop from personal relationships.
- ➔ When seeking funds for a program, particularly through grants, anticipate that the process of securing funds may take a year.
- ➔ Follow up and be persistent. Call your contacts periodically and reapply for a grant if you can.
- ➔ Forward grant announcements and related resources to other organizations. Once you are seen as a resource, other organizations will forward similar information to you.
- ➔ Read philanthropy newsletters, magazines, and other publications, including *Philanthropy News Digest* (available online at <http://fdncenter.org/pnd>) [accessed 10/12/05] and the bimonthly *Chronicle of Philanthropy*. Keep up to date on funding trends and issues.
- ➔ Get involved in local associations of nonprofits.
- ➔ Attend the National Council of Nonprofit Associations (www.ncna.org) [accessed 10/12/05] conference and meet as many people as you can. NCNA also provides technical assistance and training.
- ➔ Before seeking support from foundations or corporations, try to obtain local funding through community support and neighborhood business donations. These efforts may help you secure support for a larger, more important project down the road.

Chapter 3: Attract Corporate Partners

You are the light of the world. But if that light is under a bushel, it's lost something kind of crucial.

Stephen Schwartz, *Godspell*

Corporations will not come to you and offer your organization support. Many are unaware of the opportunities partnerships can bring. Some would be happy to partner with faith- and community-based organizations but have never been approached. Others may be wary of working with faith-based organizations for fear of upsetting certain employees. This chapter discusses the process of attracting corporate partners and establishing relationships with them. The next chapter focuses on foundations.

Take First Steps

Attracting corporate partners can be challenging, but demonstrating the benefits of your organization and programs can help. Companies tend to sponsor programs that yield positive results and financial gain. Some suggestions for attracting corporate partners include the following:

- ▶ Develop a successful program and document outcomes.
- ▶ Invite corporate officers to serve on your board.
- ▶ Look for businesses that might have an interest in the groups of people participating in your project.
- ▶ Use your board members' connections to make contacts.
- ▶ Research whether your State offers a tax credit program for businesses, in which nonprofits can give extra tax credits in exchange for donations.
- ▶ Look for faith- and community-based organizations that have corporate partners and ask them if your organization can join the partnership.

You also may want to consider working through third parties, such as the Salvation Army, United Jewish Appeal, United Way, and other large national organizations that can attract and distribute funds. Such organizations often have arrangements with corporations and other businesses and can designate your organization as a funding recipient.

Develop a Partnership Plan

Some organizations send mass mailings or "cold call" businesses in their area. These types of efforts generally have low response rates. Instead, develop a plan for approaching potential partners. Look at the relationships your organization already has established with businesses. Have any of them donated money or goods in the past or participated in your programs or events? Do any of your staff, members, or boards work for any potential partners or have family members or friends who do? They may be your initial contacts.

Determine how you will approach potential partners and what you will seek from them (e.g., volunteers, program support, ongoing consultation, money). Focusing your efforts will help you approach each corporation in the right way. Your plan may include these components:

- ▶ Persons who will contact potential partners, such as your fundraisers or program development staff. These individuals should have the skills and knowledge needed to convey information to interest a partner. You also might want to ask a board member with connections to the potential partner to assist in this process. By having a source familiar to the business make the first contact, you can increase the chances of a partnership taking hold.
- ▶ Types of assistance you are seeking from partners. Some businesses may agree to provide the requested support with little hesitation. In other cases, the relationship may develop slowly. If the business agrees to support you in a small way, giving may increase over time as the relationship develops.
- ▶ Relevant partners or other organizations with which your organization already is affiliated. You can tap these groups for assistance in forming new partnerships. They may be willing to recommend your organization as a potential partner to their colleagues. Similarly, membership in national organizations may open doors to new opportunities.
- ▶ Strengths and unique aspects of your organization that will attract each partner.
- ▶ Types of communication that make the most sense for each partner.

The table shows how you can organize the information in your plan.

Components of a Partnership Plan

| Potential Partner | Staff Responsible | Assistance Sought | Organizations That May Assist | Organizational Strengths To Emphasize | Type of Communication |
|-------------------|---------------------------------|------------------------------------|-------------------------------|--|---|
| ABC Corporation | Jane Doe, Program Coordinator | Mentors | Big Brothers | Youth program Many ABC employees as members | Meeting with ABC human resources staff |
| XYZ Corporation | John Smith, Development Manager | Funding for drug treatment program | Salvation Army | Local chapter Successful track record | Meeting with XYZ head of corporate giving program |

Careful research is an essential part of this process. You will want to gather information about each corporation, including its

- ▶ Mission
- ▶ Priorities and needs
- ▶ History of community service, donations, or support
- ▶ Likely level of interest in your organization's work
- ▶ Goals in relation to your organization
- ▶ Reputation
- ▶ Management stability

- ▶ Skills and resources to be a partner
- ▶ Other work that could have a positive or negative effect on a partnership with your organization.

The next step is to determine how to market your organization and your programs to potential partners.

Ways Businesses Can Be Involved in Community Projects

- | | |
|---|--|
| ➔ Donating money, materials, space, equipment, and time | ➔ Sponsoring youth activities |
| ➔ Offering discounts on products or services | ➔ Including messages in the packaging of their products |
| ➔ Participating in community events (e.g., sponsoring prevention fests or alcohol awareness activities) | ➔ Printing stories about projects in office newsletters or corporate Web pages |
| ➔ Providing scholarships for staff training or client education | ➔ Publicly endorsing community projects |
| ➔ Asking employees to become mentors, advocates, or other types of volunteers | ➔ Allowing employees to take time off to volunteer during business hours |
| ➔ Donating a billboard or other advertising for programs | ➔ Allowing a project staff member to give a presentation during staff meetings or at brown bag lunches |
| | ➔ Serving on a community advisory board |

Source: Agosti, J.R. *Partners: Working with the Business Community To Recruit Resource Families*. Washington, DC: Casey Family Programs, 2002.

Develop Your Marketing Plan

Your marketing plan is part of your strategic plan. As you define your mission and goals, as described in Chapter 1, think about how to share them with potential partners. Identify marketing methods, such as meetings, letters, phone calls, and promotional materials. Determine how to approach the potential partners you have identified. Their history with other partners and areas of interest and expertise can guide you.

Your marketing plan should give you an idea of whom you will approach, how, and why. It should contain these components:

- ▶ Mission statement
- ▶ Positioning statement (your unique role in the community)
- ▶ Script for representing your organization to potential partners
- ▶ Ideas for marketing and promoting your organization
- ▶ Products and services, including features and benefits

- ▶ Constituents
- ▶ Competitors.

Analyzing your competitors can reveal unique aspects of your organization. You can market your organization by pointing out these unique features. For each competitor, list the

- ▶ Products and services it offers
- ▶ Common markets you both serve
- ▶ Benefits of its products and services
- ▶ Fees it charges
- ▶ Strengths and weaknesses of its products and services.

Next, note how your products and services compare with those of your competitors. With your findings in mind, consider how you can attract corporate partners.

You'll want to analyze your potential partners in the same way. Focus on what you have in common and how you both can benefit from the relationship. Also look at resources you need that the potential partner can offer. This information will form the basis for your marketing efforts. You also need to think about the disadvantages of partnering with a specific corporation. Some relationships may require too much compromise. Others may threaten your organization's financial stability or reputation. After analyzing a potential partner this way, you may decide not to pursue a specific relationship.

Once you've identified potential partners and marketing methods, you need to develop a marketing workplan. This workplan lists tasks, due dates, and persons responsible for each task. You may want to develop a separate workplan for each potential partner, since tasks may vary depending on your marketing methods. Your workplan also may include estimated costs. In some cases, it may not pay to pursue a relationship because the costs will outweigh the benefits.

Craft Your Message

Before presenting your organization to potential partners, either on paper or in person, develop a case for partnering with you. Your message should convey that your organization and its programs are strong and explain why you are seeking money or other forms of support. Market your organization in a way that makes a relationship sound worthwhile:

- ▶ Highlight areas that show how your organization and the business make a good match. Describe common missions, visions, and goals and ways in which the business can complement your work.
- ▶ Acknowledge potential or perceived drawbacks and how you would overcome them. For example, some businesses may be reluctant to support faith-based organizations. Emphasize that your services are available to the entire community.
- ▶ Demonstrate your success by showing data on program outcomes and sharing positive stories about people your organization has helped.
- ▶ Remind the business that the relationship will enhance its image in the community.

- ▶ Offer something in return. Most businesses do not enter into partnerships only for the sake of doing good work. Free publicity in your newsletters is one example of an incentive.

Once you have decided on your message, you'll need to develop materials to convey it. Depending on your marketing budget, your access to technology, and the equipment available at meetings with potential partners, you may use a slide presentation or distribute a brochure. The materials should include descriptions of unique aspects of your project, the population you serve, statistics, strengths and successes of the project, and testimonials from your clients.

Your materials also should describe the ways a partnership can support your efforts, including how it can improve program outcomes. Likewise, the materials should highlight the benefits the relationship can offer the corporation. A bullet list of the benefits of partnering with your organization can help and should stand out in some way (e.g., bold type, bigger font). When possible, use photos to show your organization in action. Corporate leaders will respond better if they can see the people and communities they could be helping.

Before distributing any materials, carefully review them and correct any errors. Well-prepared materials look more professional and instill more confidence in your organization.

Contact Potential Partners

Once you've done your homework and prepared your presentation, you can contact potential partners to set up a meeting. Depending on how the process unfolds in each case, you may be able to follow these suggestions, originally published by the Points of Light Foundation and Volunteer Center National Network:

- ▶ Locate the person who is responsible for community relations or corporate giving.
- ▶ Make the first contact by phone or mail. You also might consider approaching your contact in person. E-mail is not the best method of first contact, as a message can be deleted as "spam," especially if the person you send it to has e-mail scanned by an assistant.
- ▶ Keep a copy of your plan with you as a reference.
- ▶ Use only a few minutes of your contact's time.
- ▶ Seek an in-person meeting. Online meetings and conference calls are too impersonal. To establish a partnership, you first need to establish rapport.
- ▶ If you are successful in scheduling an appointment, plan specific aspects of the meeting. Who will represent your organization and do the talking? What will they say? What type of presentation will you give? What materials will you distribute? Who will answer questions? Remember that your presentation should be professional.
- ▶ Role-play the meeting to anticipate questions and prepare answers.
- ▶ Be straightforward about the support you are seeking.
- ▶ If your contact is interested in supporting your organization, agree on next steps and follow up.
- ▶ If the corporation is not willing or able to help you, ask for suggestions of other corporations that might be interested.
- ▶ Listen to what your corporate contact has to say about partnering. You can use feedback and guidance to hone your marketing approach.

Formalize the Relationship

After hearing your pitch, businesses may offer to provide some support to your organization. The next step is to formalize the relationship, either verbally or in writing. One form of a written agreement is a memorandum of understanding (MOU). MOUs can vary in their scope and complexity. If you choose to establish a written agreement, you may want to include the following components:

- ▶ The names of your organization and the business.
- ▶ The purpose and goals of the relationship. If you are collaborating on a specific program or effort, include its name.
- ▶ Roles, responsibilities, and available resources of your organization and the business.
- ▶ Definitions of any terms used in the agreement.
- ▶ Protocols for working together, including methods of communication.
- ▶ Indicators of success and methods for evaluating the success of the relationship.
- ▶ Start and end dates for the agreement.
- ▶ The process for modifying or canceling the agreement.
- ▶ Signatures of authorized representatives from your organization and the business.

Chapter 4: Submit a Strong Grant Proposal

A dream is just a dream. A goal is a dream with a plan and a deadline.

Harvey Mackay

It is critical to develop long-term relationships when you are not under pressure to find immediate funding. Look for opportunities to network and share information about your organization. Grant opportunities may emerge from personal relationships or networks. Foundations usually have some sort of grant application process or provide guidelines for submitting grant proposals. This chapter discusses the process of developing and submitting a grant proposal for foundation support.

Know the Process

In an ideal world, you would have ample funds to support your work and you would not have to submit grant proposals. Or, you would get a response to your proposal quickly and have the money within a matter of months. Unfortunately, we don't live in an ideal world.

Understanding the proposal process will help you realistically assess your chances of getting a specific grant and help you decide whether to apply for it. It also will help improve your proposals and thus increase your odds of getting funding.

Some foundations have a grant cycle and award grants on the basis of a competitive process. These funders announce their grants. Others accept unsolicited, informal requests. In some of these cases, organizations can send the foundation a two- to four-page letter of inquiry, a short version of a proposal signed by the executive director. Regardless of the process that is required, following the foundation's instructions is critical.

When seeking grant funds for a program, build in a year of "lag time" until funding is secured and plan to follow up. Call periodically and reapply for a grant if possible.

The proposal process involves five steps:

1. Conducting planning activities
2. Identifying grant opportunities
3. Preparing and submitting your proposal
4. Learning the decision about your proposal
5. Implementing the grant.

Conduct Planning Activities

Ideally, you should undertake several planning activities before seeking specific grant opportunities. One such exercise is gathering information about your organization that you might need on hand when preparing a grant proposal.

Have documentation available, such as evidence of tax exemption, annual reports, an organization chart, board and committee rosters and biographical sketches, operating budgets,

audited financial statements, job descriptions and resumes, and certifications/licenses. You also might find it helpful to gather materials that support your organization's credibility, including results from program evaluations, newspaper articles about your programs, and letters from clients. You can think of all these materials as credentials. They indicate that your organization is credible and qualified to implement the program.

In addition to pulling together information about your organization, you also should conduct some research. Research will help you define your community's needs and the most appropriate ways to address them in your program. For example, review

- ▶ **Published Literature:** A literature review will help you define the problem from the national to the local community levels, develop goals and objectives for your program, and identify best practices to address the problem. In addition, some grantmakers require a literature review in submitted proposals. A well-written literature review can add to your credibility by demonstrating your understanding of the field.
- ▶ **Existing Plans or Priorities Related to the Problem:** Foundations; organizations; and Federal, State, and local government agencies may have established goals in specific areas (e.g., homelessness, substance abuse). They also may have created programs to tackle these goals. If you can connect your mission, goals, and objectives to existing plans, you may be able to strengthen your argument for support.

You can get an idea of the kinds of information to include in a proposal by looking at a variety of resources on grant writing or by participating in a training. In addition, through the Freedom of Information Act, you can request copies of successful proposals submitted to the Federal Government. You cannot copy any part of these documents for your own use, and the subject matter may not be relevant to your program. Nevertheless, they may help you craft your own proposals for foundations. The Grantsmanship Center maintains a library of winning Federal grant proposals and can send you copies at a cost.

To the extent possible, you should complete these information-gathering activities before seeking grants. In addition, if you plan to seek funds for a new program, you should map out the program before identifying grant opportunities and writing a proposal. Consider the program's goals and objectives, activities, staffing, evaluation, and budget. If necessary, develop relationships with other service providers. In addition to improving the service delivery in your area, these networks can strengthen your credibility and make you more competitive in the application process.

Designing your program before seeking potential funding will help your organization focus on its mission and respond to the most relevant and pressing social needs in your area. If you "chase" grants, you may find that your organization's work drifts away from its mission and skills. Ultimately, this path may lead to failure.

Identify Grant Opportunities

Identifying relevant grant announcements takes time and effort. Research is invaluable. Take advantage of any databases, such as *FC Search: The Foundation Center's Database on CD-ROM* and *The Foundation Directory Online* (available via Internet subscription) (see Chapter 2). Read philanthropy newsletters and magazines and attend conferences where you're likely to

learn of funding opportunities. You also can forward grant announcements to your partners and other organizations. Once you're seen as a resource for this type of information, organizations will start to forward grant announcements to you.

Faith-based organizations may want to focus on foundations known to fund faith-based efforts. Many foundations openly support religious organizations. Some prominent charitable foundations are sponsoring partnerships between religious and general humanitarian endeavors. Foundations may be open to funding your organization if you demonstrate that your program does not restrict services in any way and does not require religious affiliation for participation. Another option is to form a faith-based community development corporation (see box).

Faith-Based Community Development Corporations

A faith-based community development corporation (CDC) is a secular, not-for-profit corporation legally separate from the religious corporation or corporations that helped establish it. Its mission is usually to serve low- and moderate-income communities through community-building activities such as after-school programs, affordable housing projects, job training, day care centers, and health care clinics.

A CDC offers several advantages to a faith-based organization:

- ➔ It can protect the religious corporation's assets, because the faith-based CDC (and not the religious corporation itself) will be liable if anything goes wrong.
- ➔ Grantmakers may be more willing or able to fund a CDC, which is separate from a religious corporation, offers secular programs, and serves individuals and families regardless of their religion.
- ➔ A faith-based CDC can bring together various people and institutions on its board of directors. Faith-based CDCs that reach out to the broader community are more responsive to the needs of the community and may be viewed as more credible by potential funders.

Source: Faith Center for Community Development, Inc. "FAQs." New York: Faith Center for Community Development, Inc., no date. www.fccd.org.

Example of a Faith-Based Corporation

The Aspire After School Program at Sherrard Elementary is coordinated by the Vanguard Community and Economic Development Corporation for the PRIDE cluster of churches, which includes Second Ebenezer Baptist, Oakland Avenue Baptist, St. Paul Lutheran, Russell Street Baptist, and Metropolitan United Methodist.

Through the program, Aspire's 170 or more registered students can choose from many after-school activities, such as arts and crafts, storytelling, sign language, music, cooking, competitive sports, and martial arts, and they can get help with homework. Snacks and transportation are provided. Each Friday is Family Bonding Dinner Day. Parents are invited to have dinner with their children at Russell Street Baptist Church. Friday is also incentive day. Youth who have exhibited outstanding behavior or any other great achievement receive gifts.

This project has resulted in an increase in the number of churches operating after-school programs and improved understanding of children's issues among faith-based organizations. In addition, more grants are being awarded to faith-based organizations to improve outcomes for children, and more churches are receiving technical assistance and training on the development of nonprofit organizations.

Source: Michigan Neighborhood Partnership. "MNP: Partnerships Building Neighborhoods. Faith-Based Initiatives." Detroit, MI: Michigan Neighborhood Partnership, 2003. www.mnpartnership.org/faith_based.asp [Accessed 10/12/05].

When you identify a potential grant opportunity, consider it carefully:

- ▶ Is your program consistent with the funder's areas of interest?
- ▶ Does your organization meet all eligibility requirements?
- ▶ If the foundation has provided evaluation criteria, would your organization be able to write a proposal that meets these criteria?
- ▶ Would the potential grant amount be enough money to fund all or a portion of your program?
- ▶ If the foundation has established a deadline for proposal submission, do you have sufficient time to prepare a competitive proposal?

In addition to asking yourself these questions, you also should weigh the chance of receiving the grant against the level of effort required to prepare the application. All these factors may influence your decision to submit a proposal.

Prepare and Submit Your Proposal

An experienced grant writer familiar with your organization, including its mission and history, is extremely valuable. The writer should be able to summarize your organization and describe the proposed program or partnership in detail. Ideally, the lead writer gathers and integrates information from a team of people well versed in the proposed program. The best proposals result when the writer can collaborate with others rather than write "in a vacuum."

Proposals have different formats depending on the funder's requirements. Some funders issue a request for proposals (RFP) or a request for applications (RFA). In these cases, proposals may be elaborate and quite structured. Usually, the process is less defined. Most foundation

funders simply state their interest and wait for proposals to come in. These funders may specify page limits or request that applicants follow certain formats (e.g., 20-page proposal, 2- to 4-page letter of inquiry). When no guidance is provided, brief, concise proposals (five to seven pages) usually are preferred. Be sure to follow any guidelines given by the funder to avoid disqualification. Also, organize the proposal following any suggested outlines. If no format is suggested, you can use the sample outline in Appendix A of this handbook. (The appendixes contain several items that might be useful in preparing grant applications.)

Be aware of different perspectives. What is important to you may not be a priority to the funders you're trying to persuade. You need to show how your project will benefit the funder in terms of meeting objectives or responding to public pressure. Be clear and concise in presenting the needs of the community, your goals and objectives, and the proposed activities. Avoid organizational jargon that may confuse reviewers.

Be sure to include a transmittal letter from your chief executive or highest ranking official as a demonstration of organizational support for the program. Endorsements from board members and donors can strengthen your proposal. Also list contact people for questions and followup.

Check the funder's instructions to see whether an executive summary is required. If it is required, check to see if the funder places a word limit on this section. An executive summary provides an overview of the proposal. Also determine whether any financial documents are required. These may include audits, operating budgets, and IRS Form 990s (the Form 990 is the Return of Organization Exempt from Income Tax).

Your proposal should include some information about the budget for the project, including the amount you are requesting. The need to specify the individual budget components may vary by funder. However, it is a good idea to develop a budget like the one presented in Appendix A. You also may need to draft an explanation of how your organization came up with these figures. Specify any funds you have secured for the project from other sources and how your organization will keep the project going when the grant period ends. Most foundations award 1-year grants and make no guarantees for repeat funding.

Before submitting your organization's proposal, ask someone to review it who is not familiar with the proposed effort. Even better, find someone with minimal knowledge of the relevant human services field. A thoughtful outside reviewer can identify jargon, undefined terms, and areas lacking clarity.

Resources for Obtaining Technical Assistance or Training on Writing Grant Proposals

- ➔ The Foundation Center (www.fdncenter.org) [accessed10/12/05]
- ➔ Local network of nonprofit associations
- ➔ Local chapter of the Association of Fundraising Professionals
- ➔ Grants.gov (www.grants.gov/resources) [accessed10/12/05]
- ➔ State Department of Education
- ➔ Local universities
- ➔ Substance Abuse and Mental Health Services Administration (www.samhsa.gov) [accessed10/12/05]
- ➔ Compassion Capital Fund (CCF) (<http://www.acf.hhs.gov/programs/ccf/>) [accessed10/12/05].

Learn the Decision about Your Proposal

According to the Council of Michigan Foundations, foundations deny more requests than they fund. Sometimes they defer grant requests for future consideration. Other times they award grants for more or less money than the organization requested.

Most funders using a structured review process send a response to every applicant. However, a funder might contact only the organizations it has decided to fund. In addition, letters to unfunded organizations may not state specifically why proposals were denied. Usually proposals are declined because funds are not available, the program is not a priority, or the organization has not demonstrated its ability to implement the proposed plan.

If you receive a letter from a foundation telling you that your organization has received a grant award, the letter probably will contain the funder's conditions. You should review them carefully and plan to comply with any requirements. In addition, follow up with the funder promptly to convey your thanks. You could use this opportunity to plan next steps or ask the funder questions. The funder may ask your organization to sign a contract confirming your organization's tax-exempt status and your intentions. The foundation also may want to review your organization's financial records.

Implement the Grant

Your proposal is the outline for your program. Your organization is responsible for implementing the program in accordance with the proposal and the conditions and expectations of the funder. If you do not follow your proposal and the requirements of your funder, you may lose the grant. If midcourse changes are needed, talk to your funder and negotiate changes to your funding agreement. These changes should be documented in writing. In addition, let your funder know of your progress by sending periodic reports. Follow reporting guidelines specified by the funder or use the sample in Appendix A to develop your own format.

At the end of the grant period, submit a final report describing the ways your organization used the funds, the outcomes of the program, and future plans. If others plan to fund a

continuation of your program, inform your funder. Similarly, share any plans for the program to be applied in other communities or organizations. The potential for sustainability and replication in other communities may help you to obtain further funding. Showing success with a funder's support can be the beginning of an ongoing funding partnership.

Chapter 5: Build and Sustain Relationships

It is amazing what you can accomplish if you do not care who gets the credit.

President Harry S. Truman

You may be tempted to think of your partners as the people who write you checks while your organization does its own thing. This perspective is a mistake. Cultivating a meaningful relationship in which you work together toward a common goal is important. Even if your partners cannot always fund your endeavors, they may be able to provide other resources, such as materials or volunteers.

Establishing strong relationships with partners is key to sustainability. It enables you to provide critical services to your target population. Sustainability also involves practicing good management, knowing where your resources go, being attuned to community needs and culture, measuring progress, revising your program as needed, and planning and communicating. All these pieces are important to building strong partnerships.

This chapter discusses the keys to working in partnership:

- ▶ Setting up the relationship
- ▶ Managing the relationship
- ▶ Communicating often, using established procedures
- ▶ Evaluating your efforts.

Most of the guidance in this chapter applies to high-level, structured partnerships between two entities working together over time. However, you may find some of this guidance relevant for different arrangements as well. Depending on whether you are a grantee to a foundation, you are collaborating on a large, long-term project with a corporation, or you are fostering a relationship with a funder that has given you a few donations, different portions of this chapter may be relevant. Take cues from your partner and modify this guidance as needed.

Establishing Partnerships (Dare Mighty Things, 2004), one of the documents in the Intermediary Development Series, was instrumental in the development of this chapter. The series was produced by the Compassion Capital Fund National Resource Center, funded by the Administration for Children and Families and the HHS Office of Community Services. The series can be accessed at www.acf.hhs.gov/programs/ccf [accessed 10/11/2005].

Tips for Setting Up Relationships

- Agree on the structure, process, and support mechanisms for the partnership.
- Agree on the main purpose and priorities.
- Agree on the performance management process.
- Develop an action plan.

Set Up the Relationship

Confusion and conflict can arise when dividing responsibilities between partners. The distinction between strategic and operational decisionmaking often can be the most difficult to resolve. Key partners usually are reluctant to let go of some of their authority, especially if they are funding a project. Clear procedures are needed so that everyone can understand how actions will be taken. These procedures also can provide a sense of shared responsibility for partnership achievements.

Once you and your partner agree on procedures, you should document them, setting out the key aims, objectives, and outcomes of the partnership. These documents could take the form of a legal constitution, contract, or memorandum of agreement. They should reflect your business plan or strategy, thus giving the partnership structure and boundaries, as well as flexibility to change and grow.

As partners, you'll need to review your purpose, goals, and targets constantly. You also need to develop a mutually agreeable action plan. The box shows questions you can answer to develop a partnership agreement. Be sure to document the responses to each question.

Questions To Ask To Develop a Partnership Agreement

- ➔ What are the shared vision and goals of the partnership? What are the aims that all partners can agree to?
- ➔ What is the purpose of the partnership?
- ➔ What are each member's roles and responsibilities?
- ➔ What skills and competencies do we need to manage and support the partnership? Which staff and volunteers have these skills?
- ➔ To whom will partners report? What is the reporting process?
- ➔ What is the decisionmaking process? Who has the final say?
- ➔ How will performance be monitored? How will outcomes be measured? What is the process for acting on results (e.g., implementing suggested changes)?
- ➔ Have the partners agreed to support the partnership by making a joint investment of resources?
- ➔ What is the communication strategy? Do partners know about each other's organizations and what the pressures and imperatives are? Do partners talk to each other about their own agency agendas and priorities?
- ➔ What are the ground rules for working together?
- ➔ How will the partnership be administered? Is the plan clearly linked to partnership aims and objectives, and do all parties agree to this plan?
- ➔ How will new staff and volunteers be informed about the partnership's projects and the purpose, aims, and objectives?

Source: Dare Mighty Things, Inc. *Intermediary Development Series. Establishing Partnerships.* Department of Health and Human Services Contract Number HHS-100-02-0020. Washington, DC: Compassion Capital Fund National Resource Center, Administration for Children and Families, U.S. Department of Health and Human Services, 2004. www.acf.hhs.gov/programs/ccf/resources/gbk_pdf/ep_gbk.pdf [Accessed July 25, 2005].

Manage the Relationship

Once you have a structure and procedures in place, you'll need to manage the relationship. Cooperation is the ideal, but what if your partners do not fulfill their commitments in a timely manner? Not responding promptly risks sending the wrong signal. Moreover, the more strongly this pattern is established, the harder it will be to break.

Checklist of Effective Partnership Components

- ➔ **Organizational Issues:** How was the partnership formed? Is the leadership team in place? Is the leadership structure of the partnership settled? Can it be described easily to others so that they understand how the partnership is organized and how it works? Are the necessary administrative arrangements in place (e.g., budget, support staff)? Are information, infrastructure, personnel, and other resources integrated in the operation of the partnership? Are policies and rules sufficiently flexible?
- ➔ **Finances:** Are budgets and finances transparent and able to be tracked? Is there flexibility in moving funds?
- ➔ **Plans:** Is there a project plan? Does it accurately reflect any proposed projects? Are changes from the proposal documented along with reasons for the changes?
- ➔ **Communications:** Are the partners actively engaged? Do they meet regularly (e.g., in person, on conference calls)? What is the process for communication? Are partners communicating well? How will problems be resolved?

All parties involved have an incentive to maintain their reputation as good partners. You don't want to lose future opportunities because potential partners see you as a bad risk. Similarly, your partners do not want bad publicity that can harm their business or their ability to achieve their goals. For example, if a foundation gets a reputation for allowing partners to ignore their commitments without consequences, the foundation may find it difficult to hold other partners accountable in the future. Thus, reciprocity is an effective rule.

Challenges in managing relationships typically fall into two categories—substantive issues and relationship issues. Businesses tend to focus on substantive issues. Few, however, consider the primary factors of alliance failure, relationship issues. The key, of course, is to focus on both areas (see box).

Examples of Issues Partners Face

Substantive Issues

- ➔ Financial
- ➔ Strategic
- ➔ Technical

Relationship Issues

- ➔ Joint problem solving
- ➔ Compatibility
- ➔ Conflict resolution
- ➔ Trust
- ➔ Egalitarian perspective
- ➔ Openness and communication

Dare Mighty Things, Inc. *Intermediary Development Series. Establishing Partnerships*. Department of Health and Human Services Contract Number HHS-100-02-0020. Washington, DC: Compassion Capital Fund National Resource Center, Administration for Children and Families, U.S. Department of Health and Human Services, 2004.
www.acf.hhs.gov/programs/ccf/resources/gbk_pdf/ep_gbk.pdf [Accessed July 25, 2005].

Creating and sustaining relationships is not easy. You will face a number of challenges, such as turf battles, burnout, culture clashes, policy differences, and politics. You can overcome these challenges in many ways. Successful relationships often result when partners include these steps in their collaborations:

- ▶ Implementing a plan that focuses on participation and collaboration.
- ▶ Planning for leadership involvement.
- ▶ Evaluating how a relationship “fits” with potential partners in terms of practices and culture, as well as strategic compatibility. This process helps partners anticipate and prepare for relationship challenges and use their differences to enhance their creativity and the quality of their work.
- ▶ Creating excitement and expressing the value of the relationship.
- ▶ Jointly planning ways to achieve relationship goals in light of similarities and differences.
- ▶ Having a dedicated partnership manager who can promote communication, ensure that goals are met, track the health of the working relationship over time, spot potential conflicts, and resolve disputes.
- ▶ Thinking in terms of the partnership’s well-being versus the organizations’ separate interests.
- ▶ Managing changes that affect partnering, such as personnel turnover.

Communicate Regularly

Communication is vital to the success of any partnership. If you keep the lines of communication open, you and your partner can ensure that you

- ▶ Stay on track with established plans.
- ▶ Understand your roles, responsibilities, and areas of authority.
- ▶ Anticipate and deal with challenges.
- ▶ Reach a compromise, even when you do not see eye to eye.

You and your partner need to communicate openly about your project and your relationship with each other. The degree to which your foundation or corporate partner expects to communicate will vary. Talk to your funder to determine the appropriate frequency, format, and level of formality for your communication.

Foundations may be more amenable to site visits and meetings than corporate partners may be. When the project begins, the project manager should meet with the partner liaison regularly. These can be face-to-face meetings or conference calls, depending on the needs of the participants. As the project gains momentum, they can meet less often. You also might want to set up regular meetings with all participants.

During these initial meetings, review the action plan. The partners should walk through all tasks and deadlines and identify any needed changes. A chart that lists tasks, due dates, and responsible persons may help avoid confusion about activities.

In addition, establishing feedback channels within and between partners can facilitate communication. These channels may include regular reports (see Appendix A for a sample report format), e-mails, listservs, surveys, and open forums. You also may have occasion to

communicate with the media about your project and partnership. Establish a protocol that addresses who can speak with the media, which messages and information are acceptable to share, and whom to contact for further information.

Finally, one of the most important aspects of a partnership is appreciation. Let each partner know that you appreciate its support and that its contribution makes a difference. Send a thank-you note or report after major milestones. Ask your partner if you can write a feature for the local community newspaper about the partner's contributions. Hold an award ceremony and present an award to your partner. Brainstorm different ways to thank your partners and offer and encourage ongoing support. Keep in mind, however, that some foundations shy away from public attention.

East Bay Habitat for Humanity

East Bay Habitat for Humanity creates homeownership for low-income families by building housing and revitalizing neighborhoods. The organization works with partners from the corporate community and the faith community, as well as local governments, civic groups, schools, foundations, and individuals. Some of its sponsors have included the following:

- ➔ Alameda County Waste Management Authority
- ➔ Bank of America Foundation
- ➔ Bank of the West
- ➔ Bay East Association of Realtors Housing Affordability Fund
- ➔ Cisco Systems
- ➔ Citigroup Foundation
- ➔ Clif Bar, Inc.
- ➔ Coldwell Banker
- ➔ Cultured Marble Products
- ➔ Financial Services Roundtable
- ➔ First American Corporation
- ➔ First Horizon Home Loans
- ➔ Fremont Bank
- ➔ Healthcare Financial Solutions
- ➔ Irwin Home Equity
- ➔ Kaiser Permanente
- ➔ Livermore Grove LP
- ➔ National Association of Realtors
- ➔ Scott Haggerty, Alameda County Supervisor
- ➔ Tri-Valley Inter-Faith House Sponsorship Initiative
- ➔ Wells Fargo Housing Foundation
- ➔ Y & H Soda Foundation

Evaluate Your Efforts

Your evaluation can tell you whether your organization is meeting its goals and objectives. Outcome measurement helps clarify your understanding of your project. Most importantly, it helps you understand the impact of your work on the people you serve and helps you improve your project and services. Finally, reports on program successes can serve as marketing tools to attract additional partners.

Organizations working with corporations and foundations may be held accountable for their spending. Stockholders and boards want to ensure that funds and other resources are used appropriately. Therefore, you need to ensure that you have an ongoing program of monitoring and revising aims and objectives. This process should provide the opportunity to learn what works and what does not, building these lessons into revised plans.

To facilitate monitoring and evaluation, assign one person the job of maintaining your action plan. Establish periodic reviews to check whether its aims and objectives have changed and what is required to make the change. This person should review the plan regularly and note any needed changes, as well as any successes or challenges. The following questions may help focus the review process:

- ▶ Do the projects the partners are undertaking support the shared vision? Are partners willing to make changes to achieve program goals?
- ▶ Does the work of the partners link to overarching national and local policies and strategies?
- ▶ Does the work of the partners involve all relevant parties? If no, why not? Are clients and the community involved? If so, in what ways?
- ▶ What are the agreed-on outcomes? Is everyone aware of these? How is progress being measured? Is this done on a regular basis?
- ▶ Is there adequate monitoring, evaluation, and feedback? Have the partners been successful in achieving accepted outcomes? Is this success communicated across the partnership and externally?

In addition to monitoring the results of partnership activities, take a look at the partnership itself. Do the partners still share a common vision? Are the overall vision, purpose, and goals still recognized by the partners? Have these changed? If so, how were changes communicated? Are the partners clear about the purpose and do they agree on it? Do the partners work well together? Do they have a clear understanding of roles and responsibilities? Have these changed? Have any organizational improvements occurred? Do the partners respect each other, work well together, and communicate regularly?

In answering all these questions, you can identify strengths and areas for improvement. Your findings can be used to improve your program and your partnership. Ultimately, this effort also can enhance your organization's sustainability.

Appendix A:

Sample Forms and Worksheets

Sample Common Grant Application Cover Sheet

Date of Application: _____

Legal Name of Organization Applying: _____
(Should be same as on IRS determination letter and as supplied on IRS Form 990)

Year Founded: _____ Current Operating Budget: \$ _____

Executive Director: _____ Phone Number: _____

Contact Person/Title/Phone Number *(if different from Executive Director)*: _____

Address *(principal/administrative office)*: _____

City/State/ZIP: _____

Fax Number: _____ E-Mail Address: _____

Any Previous Support From This Funder in the Past 5 Years: _____

Project Name: _____

Purpose of Grant *(one sentence)*: _____

Dates of the Project: _____ Amount Requested: \$ _____

Total Project Cost: \$ _____ Geographic Area Served: _____

Signature, Chairperson, Board of Directors

Date

Typed Name and Title

Signature, Executive Director

Date

Typed Name and Title

Source: Council of Michigan Foundations, 2005. Used with permission, The Council of Michigan Foundations, www.cmif.org.

Sample Common Grant Application Format

Please provide the following information in this order. Use these headings, subheadings, and numbers provided in your own word processing format, thus leaving flexibility for length of response.

A. Narrative

1. Executive Summary

- Begin with a half-page executive summary. Briefly explain why your agency is requesting this grant, what outcomes you hope to achieve, and how you will spend the funds if the grant is made.

2. Purpose of Grant

- Statement of needs/problems to be addressed; description of target populations and how they will benefit.
- Description of project goals, measurable objectives, action plans, and statements as to whether this is a new or ongoing part of the sponsoring organization.
- Timetable for implementation.
- List of other partners in the project and their roles.
- List of similar existing projects or agencies, if any, and explanation of how your agency or proposal differs and what effort will be made to work cooperatively.
- Description of the active involvement of constituents in defining problems to be addressed, making policy, and planning the program.
- Description of the qualifications of key staff and volunteers that will ensure the success of the program. List of specific staff training needs for this project.
- Long-term strategies for funding this project at the end of the grant period.

3. Evaluation

- Plans for evaluation, including how success will be defined and measured.
- Description of how evaluation results will be used and/or disseminated and, if appropriate, how the project will be replicated.
- Description of the active involvement of constituents in evaluating the program.

4. Budget Narrative/Justification

- Grant budget; use the grant budget format that follows, if appropriate.
- A plan (on a separate sheet) that shows how each budget item relates to the project and how the budgeted amount was calculated.
- List of amounts requested of other foundations, corporations, and other funding sources to which this proposal has been submitted.
- List of priority items in the proposed grant budget, in the event that we are unable to meet your full request.

5. Organization Information

- Brief summary of organization's history.
- Brief statement of organization's mission and goals.
- Description of current programs, activities, and accomplishments.
- Organizational chart, including board, staff, and volunteer involvement.

B. Attachments

1. A copy of the current IRS determination letter (indicating 501(c)(3) tax-exempt status).
2. List of Board of Directors with affiliations.
3. Finances
 - Organization's current annual operating budget, including expenses and revenue.
 - Most recent annual financial statement (independently audited, if available; if not available, attach IRS Form 990).
4. Letters of support (should verify project need and collaboration with other organizations) – optional.
5. Annual report (if available).

Source: Council of Michigan Foundations, 2005. Used with permission, The Council of Michigan Foundations, www.cmif.org.

Sample Grant Budget Format

Listed below are standard budget items. Please provide the project budget in this format and in this order.

- A. Organizational fiscal year: _____
- B. Time period this budget covers: _____
- C. For a capital request, substitute your format for listing expenses. These will likely include architectural fees, land/building purchases, construction costs, and campaign expenses.
- D. Expenses: Include a description and the total amount for each of the following budget categories, in this order:

| | Amount Requested from This Organization | Total Project Expenses |
|-----------------------------------|---|------------------------|
| Salaries | \$ | \$ |
| Payroll Taxes | \$ | \$ |
| Fringe Benefits | \$ | \$ |
| Consultants and Professional Fees | \$ | \$ |
| Insurance | \$ | \$ |
| Travel | \$ | \$ |
| Equipment | \$ | \$ |
| Supplies | \$ | \$ |
| Printing and Copying | \$ | \$ |
| Telephone and Fax | \$ | \$ |
| Postage and Delivery | \$ | \$ |
| Rent | \$ | \$ |
| Utilities | \$ | \$ |
| Maintenance | \$ | \$ |
| Evaluation | \$ | \$ |
| Marketing | \$ | \$ |
| Other (specify) | \$ | \$ |
| Total | \$ | \$ |

- E. Revenue: Include a description and the total amount for each of the following budget categories, in this order; please indicate which sources of revenue are committed and which are pending.

| | Committed | Pending |
|--------------------------------|-----------|---------|
| Grants/Contracts/Contributions | | |
| Local Government | \$ | \$ |
| State Government | \$ | \$ |
| Federal Government | \$ | \$ |
| Foundations (itemize) | \$ | \$ |
| Corporations (itemize) | \$ | \$ |
| Individuals | \$ | \$ |
| Other (specify) | \$ | \$ |

| | Committed | Pending |
|---------------------------|-----------|---------|
| Earned Income | | |
| Events | \$ | \$ |
| Publications and Products | \$ | \$ |
| Membership Income | \$ | \$ |
| In-Kind Support | \$ | \$ |
| Other (specify) | \$ | \$ |
| Total | \$ | \$ |

Source: Council of Michigan Foundations, 2005. Used with permission, The Council of Michigan Foundations, www.cmif.org.

Sample Common Report Form Format—Cover Sheet

The purpose of the Common Report Form is to help grantees save time in reporting and to help grantmakers simplify the process of gathering standard grant evaluation information.

Date of Report: _____

Legal Name of Organization: _____
(Should be same as on IRS determination letter and as supplied on IRS Form 990)

Executive Director: _____ Phone Number: _____

Contact Person/Title/Phone Number
(if different from Executive Director): _____

Address *(principal/administrative office):* _____

City/State/ZIP: _____

Fax Number: _____ E-Mail Address: _____

Project/Program Name: _____

Purpose of Grant *(one sentence):* _____

Dates of the Project: _____ Amount of Grant: \$ _____

Have there been any changes to your organization's IRS 501(c)(3) not-for-profit status since your request for this grant?: Yes No

If yes, please explain: _____

Dates covered by this report: from _____ to _____

Check one: Interim report Final report

Signature, Executive Director

Date

Typed Name and Title

Source: Council of Michigan Foundations, 2005. Used with permission, The Council of Michigan Foundations, www.cmif.org.

Sample Common Report Form Format— Narrative and Financials

I. Narrative (two to five pages)

A. Results

1. List the original goals and objectives of the grant, and tell how they were met during this reporting period. Describe the current status on meeting any special terms of this grant (e.g., challenges, contingencies).
2. If possible, explain results in outcome-based terms. For example, what difference did this grant make in your community and for the population you are serving?
3. Variance from original project plans often occurs. In what ways did the actual project vary from your initial plans? Describe how and why.
4. Describe any unanticipated benefits or challenges encountered with this project.
5. Describe how collaborative/cooperative efforts with individuals and organizations involved in planning, implementing, funding, and/or evaluating this project/grant affected outcomes.

B. Lessons Learned

1. What are the most important outcomes and lessons learned from this project?
2. What recommendations would you make to the foundation or other project directors working in this area?
3. If you were to undertake this project again, would you do anything differently? If yes, please explain.
4. Other lessons?

C. Future Plans

1. What is your vision of this project over the next 3 years? Include plans and a rationale for ongoing funding, expansion, replication, or termination.

D. Public Relations

1. Provide a “human interest” story that helps explain the success of the project.
2. Attach any printed material relating to the funded project (e.g., press or news items, brochures, letters of support, photographs).

II. Financials

- A. Using the budget from the original application, provide detailed expenses and income for the project for this period. Provide narrative on any variances from the original projected budget.
- B. Include a complete, detailed accounting of how the specific grant dollars from this foundation were spent.

Source: Council of Michigan Foundations, 2005. Used with permission, The Council of Michigan Foundations, www.cmif.org.

Appendix B:

Other Resources

Glossary

501(c)(3)—Section of the Internal Revenue Service Code that designates an organization as charitable, tax-exempt, and nonprofit. Organizations qualifying under the code include religious, educational, charitable, amateur athletic, scientific, or literary groups; organizations testing for public safety; and organizations involved in prevention of cruelty to children or animals.

Board of Directors—The governing body of an organization that, by the authority of its articles of incorporation and bylaws, controls the affairs of that organization. The board typically sets rules and policies and determines the direction the organization will take. Boards also help with promotion, fundraising, event planning, and other activities as needed or desired.

Foundation—A nongovernmental, nonprofit organization with funds (usually from a single source, either an individual, family, or corporation) and programs managed by its own trustees and directors that is established to maintain or aid educational, social, charitable, religious, or other activities serving the common welfare, primarily by making gifts to other nonprofit organizations (The Foundation Center, no date).

Partnership—A group of people or organizations sharing these key characteristics:

- ▶ More than one person or groups of people united to achieve something they could not do alone.
- ▶ A pooling of skills and other resources (e.g., worksites, equipment, staff, contacts, information, ideas).
- ▶ A shared vision or goals.
- ▶ A structure (e.g., a formal, long-term alliance or a short-term agreement).

Sample Mission Statements

American Red Cross (www.redcross.org) [accessed10/12/05] – The American Red Cross, a humanitarian organization led by volunteers and guided by its Congressional Charter and the Fundamental Principles of the International Red Cross Movement, will provide relief to victims of disasters and help people prevent, prepare for, and respond to emergencies.

Children’s Law Center (www.childrenslawcenter.org) [accessed10/12/05] – The Children’s Law Center helps at-risk children in the District of Columbia find safe, permanent homes and the education, health care, and social services they need to flourish by providing a comprehensive range of legal services to children, families, and foster and kinship caregivers. The Center is committed to sharing its expertise with the community, other professionals, and policymakers through training, technical assistance, and systemic advocacy.

Goodwill Industries (www.goodwill.org) [accessed10/12/05] – Goodwill Industries will enhance the quality and dignity of life for individuals, families, and communities on a global basis, through the power of work, by eliminating barriers to opportunity for people with special needs, and by facilitating empowerment, self-help, and service through dedicated, autonomous local organizations.

Michigan Interfaith Council on Alcohol Problems (www.gbgm-nmc.org/micap) – The Michigan Interfaith Council on Alcohol Problems seeks to:

- ▶ Broaden the awareness of legislators, public officials, news media, and the general public to the danger of alcohol and drug problems
- ▶ Secure the passage of legislation that brings responsible controls in the areas of alcohol and other drug misuse
- ▶ Resist overt and covert pressures in the private and public domain that would ignore the safety, rights, and morality of any person or group of persons
- ▶ Alert the personal and group supporters of this organization to any public policy changes deemed undesirable for the good of the citizens of the State and to use the weight and influence of the organization to produce innovations and public policies that enhance the life of this State’s citizens.

National Association for Children of Alcoholics (www.nacoa.org) [accessed10/12/05] – Advocating for all children and families affected by alcoholism and other drug dependencies.

Points of Light Foundation & Volunteer Center National Network (www.pointsoflight.org) [accessed10/12/05] – The Foundation’s mission is to engage more people more effectively in volunteer service to help solve serious social problems.

Volunteers of America (www.voa.org) [accessed10/12/05] – Volunteers of America is a national, nonprofit, spiritually based organization providing local human service programs and opportunities for individual and community involvement.

World Wildlife Federation (www.worldwildlife.org) [accessed10/12/05] – WWF’s mission is the conservation of nature. Using the best available scientific knowledge and advancing that knowledge where we can, we work to preserve the diversity and abundance of life on Earth and the health of ecological systems by protecting natural areas and wild populations of plants and animals, including endangered species; promoting sustainable approaches to the use of

renewable natural resources; and promoting more efficient use of resources and energy and the maximum reduction of pollution.

Typical Questions a Foundation Might Ask

The following questions are those used by a Michigan foundation staff member and trustee when considering a grant request. Perhaps the questions will be helpful to grantseekers preparing a grant proposal.

1. Appropriateness of the project for the foundation:

- ▶ Is the project in agreement with the foundation's philosophy?
- ▶ Is the project in agreement with the foundation's current program objectives?

2. Assurance of IRS requirements:

- ▶ Does the organization have the appropriate 501(c)(3) status?

3. Defense of why this plan is needed:

- ▶ Why aren't others now meeting the need?
- ▶ Would they if funds were available?
- ▶ Can they?
- ▶ If a new organization is proposed, is it required or is the function adequately performed by others?
- ▶ If others are performing a similar function or parts of the proposed function, how does the proposed function differ and why is the difference important?
- ▶ Does the proposal include a short synopsis of related work done by others?

4. Importance and utility of the project to the community:

- ▶ Is there a demonstrable need for the project?
- ▶ Whom will the project benefit and how?
- ▶ Will there be a measurable improvement if the project is successful? Will harm be done if it fails?
- ▶ Will the project add an undesirable financial burden to the community or State?

5. Originality and creativity of the proposed project:

- ▶ Does the project duplicate or overlap with other existing or past programs?
- ▶ Is it new and innovative? Alternatively, does it help conserve beneficial programs that might otherwise be lost?
- ▶ Could the project be carried out better elsewhere by other persons?
- ▶ Does it eliminate versus treat a problem?
- ▶ Is it for other than continuing, long-term maintenance?

6. Prospects for leverage:

- ▶ Will the project draw in other financial support (if needed)?
- ▶ Will the project produce significant changes in a wider circle?
- ▶ Will the results be transferable to other projects and localities?

7. Trustees and staff:

a. Lists

- ▶ A list of trustees or directors with organization affiliation.
- ▶ An organization plan with brief position description.

b. Dedication and commitment

- ▶ Are the top people involved and devoting time to the project?

c. Competence

- ▶ Knowledge, training, experience, and ability of the staff.
- ▶ Does the request itself confirm the competence of staff to achieve the project goals?

d. Cooperation

- ▶ Have they consulted and cooperated with established agencies in the same related field?

8. Financial planning:

a. Budgets submitted

- ▶ Is the project budget well organized, conforming to generally accepted accounting principles?
- ▶ Is the current year's board-approved operating budget included?
- ▶ Is there evidence in the budgets of an adequate level of fiscal ability and responsibility?
- ▶ Is last year's financial statement audited by an independent CPA?

b. Report on funds pledged to date

- ▶ What public agencies are providing support? How much?
- ▶ Have all possible sources been approached?
- ▶ What private sources are providing support? How much?
- ▶ Is the foundation the last possible source of help?
- ▶ Will a grant from the foundation bring matching grants?

c. Time

- ▶ Is this a one-time grant?
- ▶ Will the project need foundation support for multiple years? How many years?
- ▶ Does the project plan realistically anticipate eventual self-support or support from sources other than the foundation?

9. Provision for project evaluation:

- ▶ How will the staff be able to determine success?
- ▶ How can relative degrees of success be objectively measured?
- ▶ Where necessary, has appropriate evaluation advice been sought?
- ▶ If the project lends itself to statistical evaluation, has provision been made for recording and analyzing relevant data?

10. Feasibility of the proposal:

- ▶ Is the action proposed adequate to the problem addressed?
- ▶ Is the sponsoring agency or institution clearly enthusiastic about the project?
- ▶ Are the proposed facilities, financing, and staffing sufficient?

Source: Council of Michigan Foundations, 2003. Used with permission, The Council of Michigan Foundations, www.cmif.org.

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The views, opinions, and content of these references do not necessarily reflect the views, opinions, or policies of SAMHSA or DHHS.

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Web-Based Resources

The views, opinions, and content of these references do not necessarily reflect the views, opinions, or policies of SAMHSA or DHHS.

The Barna Group
www.barna.org

Board Source: Building Effective Nonprofit Boards
www.boardsource.org

CDC Evaluation Working Group
www.cdc.gov/eval/resources.htm

Charity Focus
www.charityfocus.org

Christianity Today
www.buildingchurchleaders.com (under www.christianitytoday.com)

The Chronicle of Philanthropy
www.philanthropy.com

Council of Michigan Foundations
www.cmif.org

Council on Foundations
www.cof.org

Fasten
www.fastennetwork.org

The Foundation Center
www.fdncenter.org

Fundsnet Services Online
www.fundsnet services.com

Generous Giving
www.generousgiving.org/marketplace

The Giving Forum
www.givingforum.org

Grants.gov
www.grants.gov

The Grantsmanship Center
www.tgci.com

GuideStar.org
www.guidestar.org

Interactive Knowledge for Nonprofit Organizations Worldwide
www.iknow.org

The J.C. Downing Foundation
www.jcdowning.org/resources/definitions.htm

Ministry Accounting
www.ministryaccounting.com

National Council of Nonprofit Associations
www.ncna.org

Thompson & Thompson
www.t-flaw.com

U.S. Department of Health and Human Services
Administration for Children and Families
www.acf.hhs.gov/programs/ccf

U.S. Department of Health and Human Services
Substance Abuse and Mental Health Services Administration
www.samhsa.gov/grants