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# **Essential Elements in Grant Proposals**

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## How Do You Get the Grant?

Does this sound familiar? An RFP is announced and someone in the organization, thinks you should apply for the money. After you look at the piles on your desk, you decide that this time you'll take a different approach and pull together a team of experts who have the knowledge and ability to help you write a winning grant proposal. We'll call them the "Dream Team".

The members you should consider to be on your Dream Team should be:

- **Director and/or Project Coordinator for the particular grant** – It is imperative that someone who has experience in the implementation of projects have input in the creation of projects.
- **Budget Specialist** – It is vital that after the brainstorming session for the project is completed, that the budget is created. The reason that this is important is that in many cases if you write the program narrative first, you will exceed the amount of money that is available in the grant. In the project budget you will highlight all personnel costs (salary and fringe) and OTPS (other than personnel costs), which could include administrative overhead and program costs.
- **Collaborating Partners** – If you are collaborating with other partners, they should be involved in the discussion, and there should be a written commitment outlining their roles and responsibilities to the project (Memorandums of Understanding or MOUs).
- **Writer** – If any of the people mentioned above is not the writer, you will need to have someone collect all of the materials from the different team members and write the proposal so that it reads in one voice.
- **Administrative/Support** – You will need someone to package the proposal in an appealing way. Therefore, you'll need someone with very good computer skills who will be able to do graphs, charts and scanning, as well as to follow the formatting guidelines set out in the application. Not only will you need someone to package the proposal, but you'll also need an excellent proofreader – some one who has excellent grammar, spelling and punctuation skills – preferably someone who is not familiar with your daily jargon so that they can read it through the eyes of the funder.
- **External Consultants** – In some cases, organizations hire external consultants to do all of the above or pieces of it. If you use consultants, make sure they have experience with the agency and/or projects that you are applying for.

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- **Other Assistance** – Depending on the size or complexity of your organization and/or the grant, you might need to add the services of an attorney, marketing person, and/or someone with expertise related to the purpose of your project to your Dream Team. For example, if you are building a playground, you might want to include someone with construction experience, an attorney experienced in land use, and someone who is familiar with playground equipment, etc.

### The Brainstorming Session

Now it's time to gather your Dream Team and start brainstorming. This section focuses on how to document the problem or need facing your organization and your community. The following questions will keep your organization zeroed in on the issues.

- Who are you?
- What is the problem that requires a solution?
- Who will the project provide services for?
- What is the project?
- Where will the project be conducted?
- What is the timeline for the project?
- What are the steps you will take to carry out the project?
- What will happen if this problem is not solved or addressed?
- What is the gap between what exists now and what ought to be?
- Why should outside funding be used now to solve the problem or reduce the gap?

After the team has answered these questions, select several ways to document the need that is going to drive the project. There are a variety of methods you can use, including:

- Key informant
- Community forum/focus group
- Individual story
- Statistical analysis
- Survey
- Studies

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Here is a chart to help analyze which method might serve your needs the best.

<b>Method</b>	<b>Advantages</b>	<b>Disadvantages</b>
<b>Key Informant</b>	<ul style="list-style-type: none"> <li>• Easy to design</li> <li>• Costs very little</li> <li>• You control the input</li> <li>• Excellent way to position your organization</li> </ul>	<ul style="list-style-type: none"> <li>• Easy to leave out important segments of the population</li> </ul>
<b>Community Forum/ Focus Group</b>	<ul style="list-style-type: none"> <li>• Easy to arrange</li> <li>• Costs very little</li> <li>• Increases visibility in the community</li> <li>• Promotes active involvement of the community</li> </ul>	<ul style="list-style-type: none"> <li>• Site of forum has effect on representation</li> <li>• You can easily loose control of the group</li> <li>• Small, vocal minority can slant results</li> </ul>
<b>Individual Story</b>	<ul style="list-style-type: none"> <li>• Easy to arrange</li> <li>• Costs very little</li> <li>• Demonstrates increased sensitivity to the clients' "real" world</li> <li>• Moving and motivating</li> </ul>	<ul style="list-style-type: none"> <li>• Selection of case may be biased</li> <li>• Must describe one real person, not a composite</li> <li>• Anonymity of the person must be ensured</li> </ul>
<b>Statistical Analysis</b>	<ul style="list-style-type: none"> <li>• Abundance of data and studies</li> <li>• Little cost to access information</li> <li>• Allows for flexibility in drawing conclusions</li> <li>• Analysis of data is catalytic in producing more projects and proposal as staff "sees" the need</li> </ul>	<ul style="list-style-type: none"> <li>• Can be very time consuming</li> <li>• Bias of research shows up in studies quoted</li> <li>• Feeling that one can provide anything with statistics</li> <li>• If original data is questionable, you extrapolation can be inaccurate</li> </ul>
<b>Survey</b>	<ul style="list-style-type: none"> <li>• High credibility</li> <li>• Flexibility in design</li> <li>• Demonstrates local needs</li> <li>• Provides proof of your concern in advance of seeking funds</li> <li>• Small sample size and identified needs population provide for an inexpensive means of assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Takes time to do survey properly</li> <li>• Small sample size and non-random sample make it impossible to extrapolate to the entire needs population</li> <li>• Survey design needs professional guidance to deliver useful information</li> </ul>

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Method	Advantages	Disadvantages
<b>Studies</b>	<ul style="list-style-type: none"><li>• Citing studies demonstrates the proposal developer's thoroughness and expertise in the area and command of the subject data</li><li>• Studies provide an unbiased approach to documentation of need</li></ul>	<ul style="list-style-type: none"><li>• Unless properly organized, the literature search may seem disjointed and overwhelming to the reader</li><li>• Time-consuming</li></ul>

There are also several non-traditional ways to gather information to document a problem or need in your community. These include:

- Public bulletin boards
- Generating an e-conversation
- Radio talk show
- Newspaper ad(s)
- Newspaper editorial and Letters to the Editor
- Public rally

Once you've gathered community input, you'll need to develop a Statement of Need that clearly articulates the problem faced by the community using the documentation you've gathered and, this information, and the method in which you have collected it, will make a funder take notice.

### How to Write a Compelling Concept Paper

The concept paper is the backbone of any grant proposal and you will find it useful as:

- A Resource to help research and identify appropriate grant makers;
- A Talking paper to help engage your staff, board, and other possible partners or collaborators;
- A Letter of Inquiry to potential grant makers; and
- A Full proposal to some grant makers (particularly corporate giving programs)

Developing a concept paper challenges you to demonstrate your commitment to pursuing the idea; provides the opportunity for you to organize your thoughts on paper; and identifies the information, commitments, and additional research necessary to create a winning proposal.

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The concept paper is a living document, changing as your project matures. Budget items will be added or deleted. The timeframe may shrink or grow. The project description usually evolves as you establish partnerships or locate new resources. The funding strategy will change as you identify new grant makers and begin to secure financial commitments.

As you develop your concept paper, you need to make sure that it is aligned to the mission and vision of your organization. We have found, in many cases, that organizations follow the dollars versus their mission. Organizations who follow the dollars have to deliver services that are usually outside their scope and it dilutes their ability to fulfill their vision.

### Mission & Vision Statements

**Mission Statement** – defines what your organization does or will do.

A Mission Statement describes why an organization is in business as opposed to the Vision Statement, which sets a future point of achievement as a target. It also draws lines around your playing field and, if properly formulated, will be invaluable in helping the organization to avoid needless side excursions or wasted effort pursuing good ideas that may or may not related to your mission. In other words, it helps to keep the people in your organization in the agreed-to-field of play.

This is the statement that defines what your organization does or will do. If you do not currently have a Mission Statement, or if you feel that you need to revisit your current mission, gather your planning team to answer or refine the following questions:

- **Who** – what is the name of your organization?
- **What** – services to be provided or currently provided?
- **Where** – geographic service area?
- **Why** – reasons services are needed?
- Are the elements you have selected too narrow, too broad, or just about right?

**Vision Statement** – defines what you hope to achieve as an organization.

Your journey into the future begins with a Vision Statement – those few words that describe your ultimate expectation for the organization. The importance of a Vision Statement lies in its value as a guide or a point on the horizon toward which everyone in the organization can head.

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It is important to have a Vision Statement for the following reasons:

- It articulates a dream and those who never dare to dream can never have a dream come true
- It sets the stage for needed change
- It provides a distant point against which direction can be set
- It establishes the future field of play
- It provides the foundation for determining key areas of concentration
- It facilitates goal setting and strategy development
- It makes the decision-making process less cumbersome
- It helps get people moving in the right direction
- It facilitates cross-functional coordination and cooperation
- It provides a basis upon which fund-raising can be built

Put your Vision Statement to this test. Is the language you have selected:

- **Futuristic** – creates a mind's-eye picture of what the organization will look like at some point in the future (i.e., we will put a man on the moon within 10 years).
- **Appealing** – captures the interest of the stakeholders and engenders motivation to be a part of the dream (Kennedy vs. King Arthur and his Knights of the Roundtable).
- **Compelling** – the desired state must produce a condition superior to the current situation while generating tangible additional benefits to the key constituents.
- **Focused** – is quantifiable and measurable. States an expected outcome that is specific enough to enable the organization to identify key goal areas, to develop meaningful goals and to make appropriate decisions.
- **Do-able** – can be accomplished within the context of realistic and attainable targets as well as the organization's capacity to grow.
- **Adaptable** – is specific enough to provide a clear aiming point, but general enough to allow for alternative choices and strategies.
- **Understandable** – can be easily communicated and readily understood by the uninitiated.

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## The Elements of a Concept Paper

The concept paper is usually made up of these specific sections:

- **Title Page** – cover page that can include a graphic
- **Introduction** – serves to introduce the reader to your organization and is usually about half a page
- **Statement of Need** – the longest component of a concept paper, the need statement can be a full page or more
- **Organizational History** – a summarized version of the organization's history and can be half a page or so
- **Project Narrative** – an abbreviated version of the project description, this section is often just half a page
- **Timeline** - indicates when the project will happen and can be one line or one short paragraph.
- **Budget** – at this point this will only be an abbreviated cost summary, usually just a few lines or one paragraph.
- **Funding Strategy** – this tells the reader how you will secure funding for the project in the future and is usually just a paragraph.

Now you are ready to write a grant proposal. Most proposals will include all of the listed components, but the task becomes more challenging when you need to tell your story and make the “ask” in three pages or less.

Remember, depending on which funder you apply to, will determine the length of the proposal. Corporations prefer proposals that are 2-3 pages and no more than 5 pages. Foundations prefer proposals that are between 5-10 pages. Public funding proposals are usually 40 pages and can go as high as 100 pages. This does not include requested attachments.

The best way to get started writing a grant proposal is collected the most frequently asked for information by all types of funders. The following list will provide you with the items that should be up-to-date, readily accessible, and located in a central place.

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- **Overall Management Information**
  - Incorporation papers
  - Mission, Vision & Values Statement
  - Up-to-date Board of Directors By-Laws
  - Board of Directors/Advisory Board information (should include name, profession, member's business affiliations, and current terms and a bio to highlight the skills sets)
- **Staffing**
  - Organizational chart
  - Strategic Plan
  - Resumes of key management personnel
  - Resumes of key staff, including volunteers, relevant to the project
  - Job descriptions
- **Fiscal**
  - Recent audits, including last fiscal year's Agency Audit Report
  - Current budget
  - Federal Tax ID Number
  - IRS Tax Exempt Status Letter
  - State Tax Exempt Status Letter
  - Charitable Giving Report, if required by your state
  - Form 990
  - List of Funders (past and present)
- **Marketing**
  - Media coverage (newspaper articles, press releases, television and/or news coverage)
  - Marketing materials (flyers, brochures, etc.)

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Most grants have the following components:

- Cover letter and/or Application
- Executive Summary
- Introduction/Organization's history and accomplishments
- Statement of Needs
- Goals and Objectives
- Project Activities and Timelines that will be carried out
- Project Evaluation – how will you measure the success of the project? Please note: Funders are looking at project evaluation very seriously. They want to fund projects that can be successful models that can be replicated.
- Future Funding – who will fund the future of this project?
- Budget and Budget Narrative
- Attachments & Appendices

## The Cover Letter

The cover letter, which also serves as a type of summary, might seem redundant after you have completed the summary – you'll be using your best quotations and phrases in each. Don't worry about this; they are technically parts of two separate documents.

Introduce yourself or your organization. Include a brief description of your proposal (your title may be enough), the amount you are requesting, and a simple but convincing explanation of why this project is important and timely.

Refer to the goals of the funding source as you understand them to apply to your project. If you know what is important to them, they'll be more open to what's important to you. Offer to answer questions and indicate how the funder can contact you.

Always submit the cover letter on your organization's letterhead. Assume your cover letter will be separated from the full proposal. (This is why redundancy is not a problem). The purpose of the cover letter is to:

- Describe your project in one or two sentences, including the amount of money you are requesting
- Outline the need or define the problem as you see it, and cite one or two supporting statistics

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- Show how your problem or need complements the mission and/or goals of the funding source
- Briefly describe your solution to the problem or need
- Remind funding officials of previous contact with them, and changes you have made based on their input

Have a top officer or the board chairperson sign the letter. You may want to sign it too, if you have been working closely with the funder; it is acceptable to have two signatures.

### Executive Summary

The executive summary, or abstract, is the single most important piece in the grant proposal. It can be anywhere from several lines, to a full page in length. This summary presents the most scholarly aspect of the proposal in a succinct, clearly articulated manner. Grant proposal reviewers often read only the summary. They may never see the rest of the request, so the summary must convey its substance.

Begin by outlining each of the proposal sections and use that outline to develop a motivating summary. Write this section after you have completed the proposal and don't repeat what you have already stated. Instead, summarize the main points.

Many funders provide forms with explicit directions for presenting the summary statement. These may even include the amount of space and number of words you can use.

Consider these points when drafting your summary:

- In two sentences, summarize the problem or need as you see it
- Summarize the goals and objectives in narrative form, don't list them
- In two or three sentences, summarize your proposed plan of action, don't list methods
- Summarize your dollar request; how much you have raised; how much you need from this source; and your total budget for this project
- Explain why this funding source is best for your project – make a connection between your organization's mission and the mission of this funding source

# ESSENTIAL ELEMENTS IN GRANT PROPOSALS

## Introduction

The introduction to a proposal serves as a way of communicating to the potential funder the social, economic, and environmental context of your project or program. It provides the reader with a brief description of your geographic and social situation, with which your reader may be unfamiliar, especially when the funder is from a different region of the country.

The introduction is concise and contains information that captures your reader's attention and interest. It introduces the subject matter, setting, and principal players, and provides some background to the issue you will present in your project and need descriptions.

Though it may seem backward, it's often beneficial to write the introduction after drafting the need statement and the goals and objectives. Once those are written, you'll know exactly what general information will most appropriately introduce the reader to the request.

Be aware that the introduction you write for a foundation can be dramatically different from the one you write for a corporate donor.

A foundation's interests are going to center on your clientele and the community you serve, as well as on the problem or need you face. And while these issues are also important to a corporate donor, they will also want to know their name can reach a lot of people. So they will be interested in the demographics of the region, the number of visitors, and the visibility of their name and logo. Basically, they want to understand the market you may conceivably reach for them.

Keep in mind also that an introduction written for an in-state funder is much different than one written for an out-of-state funder. Out-of-state funders often need to understand the geography of a place (such as a wilderness area, rural farming community, and inner-city neighborhood) and the demographic and economic profile (such as ethnicity, high unemployment rate, lower-income population) if they are to make an informed decision.

An in-state funder, however, may take exception to such introductions as they probably take pride in understanding the state in which they operate.

## Organizational History

This should be a concise history of the applicant organization establishing its credibility and its qualifications for funding. This section should:

- Establish the organization apply for funds
- State purposes and goals
- Describe programs and activities

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- Define clients or constituents
- Provide evidence of accomplishments
- Offer quotations and endorsements in support of accomplishments
- Support qualifications in the area of activity for which funds are sought (e.g., research, training, etc.)
- Include a brief biography of board members and key staff

### Statement of Need

The question is “Why should the funder support this request?” You should answer this question by:

- Painting a picture of the overall issue, focusing on the global, national, or local scale as appropriate
- Describing the problem in terms of your clients or community
- Referring to your organization’s internal needs if you are asking for capacity building grants or operating support
- Tying your funding requirement to the funder’s priorities
- The Need Statement must engage the reader. Cite relevant and pertinent statistics. Quote from reports, letters or press accounts. Stay concise and focused.

Statement of Needs can deal with tangible problems such as homelessness, offenders returning to prison, children falling behind in their reading skills, youth dropping out of school, or the location of a hazardous waste site.

The Statement of Needs should:

- Clearly define the need you intend to address
- Support the existence of the need with evidence and documentation
- Make a logical connection between your organization and the problem or need with which you propose to work
- Describe how your proposal fits within the funder’s priority funding categories

By answering the following questions, you’ll be well on the way to developing a solid Needs Statement. Consider:

- What is the nature of the problem?
- What are its underlying causes?

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- Can you compare your situation with other communities, states, or regions?
- What groups have been or are now affected by the problem?
- How does the data document the nature and extent of the problem?
- How is the problem significant in relation to other problems in the community, state, or region?
- Who else recognizes this as a serious problem?
- What will happen if nothing is done about this problem or need?
- What is currently being done about the problem and who else is working on it?
- What are the current gaps in services?

Leave the reader asking the question, "Okay, what can you do about this?"

## Goals & Objectives

### Goals

Goals are the long-term vision for your project, and you may have one or several. They are your motivation, the part of your world view that applies to the subject area of your proposal. Goals define what will occur for the people you serve if the program is successful.

Goals are visionary, but must also be somewhat achievable within the context of the grant request.

There is a trend toward thinking of goals as "performance targets." Performance targets embrace change and often focus on the person who is being served by the project. Ask yourself, "How will this project change society?" Incorporate the answer into your goal.

### Objectives

Objectives are achievable and measurable within the scope of the proposed work. Start with "to" followed by a verb. Set a time limit in which to achieve your objective, if possible, and always try to be realistic when setting your objectives.

Please note that an objective:

- Always specifies a result, not an activity
- Describes just one result you want to accomplish

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- Emphasizes what will be done and when, but does not tell why or how it will be done
- Clearly relates to one or more of the goals
- Is specific, measurable, and verifiable
- Allows for flexibility on the part of those implementing it

Objectives always come after the Goals in the proposal, unless guidelines instruct you to do otherwise.

### **Project Description**

The Project Description contains the project's Goals and Objectives, as well as a narrative description. The length and detail of this section depend on the number of pages allowed, the amount of money you are requesting, and the information needed to portray your project accurately.

### **Project Activities & Timeline**

The Project Activities is a step-by-step description of what you will do to accomplish the objectives. List the tasks to be completed. Be specific. Include all the tasks that need to happen under each objective. Begin each task with a verb, for example:

- Hire an architect
- Raise \$1,000 at the annual Strawberry Shortcake Festival

Assign a cost, time, and responsible person who will be assigned to each task.

The list of tasks and their sequence is very helpful to the project coordinator once the proposal has been funded. The step-by-step plan will lead to the proposed timeline and guide budget development. Setting forth tasks or activities in this fashion can be an aid to program planning. Without such a plan, certain necessary steps might be overlooked.

After listing every step you can think of, pass it around the office to get additional thoughts and ideas on what has to happen to accomplish your objective. You will be amazed at what you have forgotten. Getting others to participate in this process also facilitates buy-in from staff and volunteers.

Summarize the action items and time dedicated to each one. Most of this information can be taken straight off the Project Activities. Try presenting this information on a chart, which should help the reader understand how the tasks fit together over time. You can be creative here. Let your imagination go and design a timeline that is visually appealing and easy to read.

### Budget and Budget Narrative

#### Budget

List every cost you might incur, including salaries, consultants, office space, postage, travel, supplies, insurance, printing and publicity. For instance, will you need to install a new phone line or lease equipment? Include administrative fees (indirect rate), usually 10-18% of the project budget.

Don't worry if you don't think of everything the first time through. You'll revisit the budget several times as you work through your proposal.

Review your Project Activities Plan. Adjust budget items to match actual needs. Can you account for all the salaried time, equipment, travel, and other expenses identified in the Project Activities Plan and Timeline?

Strive to show community support in the form of in-kind contributions of time, services, space, supplies, and so on. In-kind gifts refer to non-cash donations made to your organization, such as land, buildings, goods, and services, including professional volunteer hours. Show an estimated value of these gifts in the budget.

At this point, you will also need to consider evaluation costs. Though you have yet to design the evaluation component of the proposal, you will know by now whether it is needed to strengthen your project and make it adhere to the funder's guidelines. Evaluation costs can include consultant's fees, testing, printing, conference attendance, or release time for staff to be trained or interviewed.

The budget clearly differentiates costs to be met by the funding source from those provided by other parties. It should:

- Tell the same story as the proposal narrative
- Be detailed in all aspects
- Contain no unexplained amounts for miscellaneous or contingency items
- Include all items being requested from the funding source
- Include all items paid for by other sources
- Reflect volunteers' hours and in-kind gifts
- Detail fringe benefits, separate from salaries
- Include all consultants' fees
- List all non-personnel costs separately
- Include indirect or administrative fees, when appropriate
- Be sufficient to perform the tasks described in the narrative

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Make your budget detailed, not general. The more information you include, the fewer questions will come up as the grant review board discusses your request.

Make notes explaining where you gathered your information or how you reached a certain figure. This will help when developing the Budget Narrative, and it strengthens your credibility with the reader.

### **Budget Narrative**

The Budget Narrative is for elaborating on the assumptions you made to calculate line-item costs in the budget. Always break down travel costs, especially when they contain unusual prices for travel to remote locations.

Indicate how many hours or days per week or month each person will spend on the project, and at what hourly rate. Specify which computer model and software you will purchase and identify the vendor. Show why it is more cost-effective to purchase a computer rather than lease one for the duration of the project, or vice versa.

At this point, it's time to make calls and get direct price quotes for all items in the budget. Use of a computerized spreadsheet will eliminate errors in calculation.

Have the financial person on the team check the budget for accuracy, and let someone familiar with the proposal look over the budget narrative, as well.

A few tips about budget development:

- Encourage your staff to collect cost information about equipment, software, hardware, office supplies, workshops and conferences, and other items. If they can keep this information in the "Wish List" file, or give it to you on a regular basis, it will help you considerably when it comes time to build the budget. Having this information at your fingertips helps you flesh out the budget, and can often provide the financial means for a staff person to get what they really need to do their job well.
- File budgets from other grant requests and use them as reference when building your budget. Often times you can pull numbers and the budget narrative for those numbers right off old requests. Why redo the work?
- Get three quotes on any budget item over \$5,000. It just makes sense, and it will help build credibility with the funder.
- Ask for quotes in writing, as you will find that much of the information the vendor or consultant gives you can be added to the budget narrative.

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- Whether using hourly or daily rates or percentages of time for personnel costs, always provide the annual salaries of the staff, the basis for calculating work a year, the period covered by the project (e.g. 14 months), and the tasks to be performed by each member of the staff assigned to the project.
- Create a list of fringe benefits, the percentage for each benefit, and the cumulative percentage.
- When travel costs are involved, provide the reason for the travel and each destination; anticipated lodging, per diem, and ground transportation costs; airfare (and the basis for any estimated airfare); and the number of persons traveling.
- For indirect costs, provide a current copy of your organization's Indirect Cost Agreement with the Federal government, if you have one, or a copy of our recent audit report that substantiates your rate.

### Presenting Your Budget

Your budget should be presented in three different ways:

- Narrative format (a short summary that refers to percentages and precedes the standard format)
- Visual format, such as a pie chart that reflects the percentages mentioned in the narrative
- Standard numerical format

### Attachments & Appendices

Attachments can provide the winning edge when your proposal is compared with others. Throughout the proposal development process, collect attachment materials and note them in the request.

Reviewers will often not have the opportunity to “see” the attachments, so make it a point to refer to any attachments that you feel must be reviewed in the body of the full proposal. For example, you may quote from one of your Letters of Support in the Project Description section and then in parenthesis put something like – (please see attached Letter of Support, Superintendent of Schools, Fairbanks North Star Borough School District). Why not use the good things this person has to say about your project to build your credibility?

Read guidelines to learn the appropriate length for attachments, and provide a separate Table of Contents if you have more than four or five attachments.

Attachments might include:

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- Endorsement Letters (each should make a different point or have a different focus)
- A list of board members and their affiliations
- Resumes of key staff and consultants
- Tables, graphs, and research supporting the Problem or Needs Statement
- Organizational publications, including brochures and newsletters
- Maps of the region, neighborhood, and community
- Budget Narrative
- The organization's audited financial statement
- A copy of the organization's IRS tax-exempt designation
- Photographs and architect's drawings (if applicable)
- A resolution or statement from the Board of Directions supporting the proposal
- Significant publicity reprints
- Other funding sources you have approached
- A list of foundations and corporations that have made previous grants to the organization

Don't be shy about attachments, If the funder is very clear that they want only three things – IRS letter, Board of Directors profiles, and one letter of support – then so be it. But, if they leave you a little more room for creativity, attach something that will really support your project, like brochures and annual reports.

## Project Evaluation

Federal and state funding sources place a heavier emphasis on evaluation than most private funders. There is a trend, however, toward accountability for dollars spent, which in turn demands better evaluations. Be sure to include the evaluation costs in your budget and to indicate evaluation dates clearly in the timeline.

In proposal writing, begin by formulating the evaluation, which can serve as a test of your project's feasibility. If you know what results you want to achieve, you can work backwards through the steps to accomplish the results in your planning process.

The first step in developing a strong evaluation component for a project is to select the people who will be involved. There are three possible approaches:

- **In-house evaluation team** – this could include the project director, project staff, a board member, and an on-staff designated evaluator. This approach is the most cost effective, but it is also least objective.

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- **An outside evaluation team** – this could include a board member, a community leader, and someone in your field of work who is not directly linked with the project. Usually these individuals are offered a small honorarium (\$100 to \$500) for their work. An outside evaluation team is more objective than an in-house team.
- **Professional evaluator** – if the project is complex and the outcomes important to quantify, it is most effective to contract with a professional evaluator. Check with your nearest college or university to find one. There are also freelance consultants in many communities whose activities include project evaluation. They will often prepare an evaluation plan at no cost in exchange for being written into the proposal as the evaluator. Professional evaluators can be costly, but they are extremely objective.

Every project is unique, and the evaluation design should reflect the project's unique qualities. Instead of regarding evaluation as a nuisance, you should focus on the opportunity to gain insight into making a good project better.

The evaluation report directly affects the project, and it will reflect on your organization. Accuracy, clarity, and tone are all very important. To create a customized evaluation plan, ask some basic questions:

- What are the information needs of users or clients? Consider what all interested parties might learn from the evaluation.
- What is the level of funding available for the evaluation? The range of funding for the evaluation provided in a project grant can run from a small percentage of total project costs to a major portion of the grant. Some funders refuse to pay for evaluation, but they still demand it. How much are you will and able to spend?
- What human resources are available to conduct the evaluation? Consider how much evaluation expertise and time your staff has. If internal resources are not adequate to do the evaluation, consider hiring an outside professional.

In a relatively short narrative, state what your specific measures of success will be and how they relate to the Project Activities and Objectives. For example:

- How will you verify the extent to which objectives are achieved?
- How will you measure the number of people you actually serve?
- How will you determine whether you succeeded? Attach a sample of the evaluation form that you will use.
- Will your evaluation be qualitative and/or quantitative?

Qualitative evaluations are someone open-ended, and examine a small number of cases in detail. Qualitative evaluations are very traditional and scientific. They are

## ESSENTIAL ELEMENTS IN GRANT PROPOSALS

characterized by a large data-collection effort, coding of this data and a standard analytical approach to conclusions.

Evaluations are essentially technical documents, but can also serve public relations purposes. Once you have completed your project's evaluation, create a press release highlighting your successes.

If you are designing your own evaluation, be sure to:

- Describe your specific, measurable criteria for success
- Describe the process you will use to collect data and monitor progress
- Describe in detail how you will keep records
- Describe the evaluators with names, credentials, and relationship to the project or your organization
- Outline your reporting procedure giving specific due dates, and the format and content of evaluation reports
- Determine the costs to evaluate your project and include these costs in your budget

### Future Funding

The future funding section lays out a plan for continuation after funds from this grant and others have been expended. Your plan should:

- Include a specific plan to obtain future funding, if the program will continue
- Describe how you will procure maintenance funds, if a proposal is to construct a facility or purchase equipment
- Show minimal reliance on future grant support from this funding source
- Include Letters of Commitment of funds from other sources, if necessary

Not every project needs to address future funding, but it can strengthen your proposal by demonstrating that you won't be dependent upon one funding source forever. Most funders are buying a piece of the future. It is in their best interest to see your project continue. If their guidelines don't ask about future funding, you can add this information in the Budget Narrative.

As you develop a future funding strategy, remember that donations are not the only source of money for nonprofits. There are also membership dues, investment income, government contracts, program-related investments, earned income from businesses, goods and services, and numerous other methods of funding.

The list below outlines nine major areas an organization can focus on to ensure it meets future funding needs. Those marked with an asterisk are explained in more detail below the list.

## ESSENTIAL ELEMENTS IN GRANT PROPOSALS

- **Internal money management**
  - Operating economy\*
  - Investment income\*
  - Cost sharing\*
- **Membership dues**
- **Earned income\***
  - Service fees\*
  - Income-producing services or products
  - Space rental\*
  - Newsletter subscription sales\*
- **Individual solicitation**
  - Door-to-door canvassing
  - Payroll deductions
  - Phone-a-thons or telethons
  - Matching gifts
  - Annual giving
  - Direct mail
  - Memorials
- **Planned giving\***
  - Bequests
  - Annuities
  - Life insurance
  - Pooled income
  - Trusts
  - Securities
- **Endowments**
- **Grants**
- **Program-related investments\***
- **Special events**

**Operating Economy** – the first way to make money is to eliminate waste. Examples of money-savers include:

- Avoiding penalties and late charges by paying taxes and bills on time
- Maintaining facilities and equipment on a regular basis (deferred maintenance is costly)
- Reviewing insurance coverage and costs annually, and get new bids every few years
- Avoiding duplication of staff effort and documenting production by assigning specific responsibilities to personnel in their job descriptions, and by circulating and sharing records and other paperwork

## ESSENTIAL ELEMENTS IN GRANT PROPOSALS

- Enforcing productivity standards and conducting employee evaluations every year (salaries and benefits are major costs)
- Using volunteers whenever possible

**Cost Sharing** – cost sharing possibilities include joint purchase of goods, equipment, and services; shared office space, equipment, and services; and group purchase of medical and other insurance.

**Investment Income** – consider the short- and long-term investment of available cash. Set up an investment committee to establish investment policies and provide investment oversight.

**Earned Income** – there is no rule saying nonprofits can't make money, although there is one requiring that the money be used for charitable purposes. Services are marketable, and so are program-related products. The possibilities are limited only by your creativity, skill and management ability. (Some ideas, however, involve considerable risks.) Here are a few proven income producers:

- **Service fees** – the safest and most obvious method of earning income is to charge a fee for the services you have formerly provided free. Base your fees on a sliding scale according to income and ability to pay. If you serve only low-income persons, consider extending your services to others, especially if you face budget deficits.
- **Space rental** – offer meeting or conference space to other organizations, including for-profit businesses, for a fee.
- **Newsletter subscription sales** – you can often sell your newsletter to “outsiders” based on the publication’s information value. Consider also selling advertising space in the newsletter. (This does mean you will be unable to mail using nonprofit bulk mail rates, but it may be worth it.)

**Planned giving** – contributors can make charitable gifts through wills, trusts, gift annuities, life insurance, securities, and real estate. Though sometimes called *deferred giving*, not all planned gifts are deferred.

**Program-Related Investments (PRIs)** – are equity investments, loans, or loan guarantees made by a foundation to serve a charitable purpose. They are sometimes called *social investments*. Unlike grants, PRIs must be repaid, sometimes at a low interest rate.

# ESSENTIAL ELEMENTS IN GRANT PROPOSALS

## Do's & Don'ts of Grant Writing

Section	Do's	Don'ts
<p><b>Cover Letter</b> Proof to the funding source that the proposal is appropriately endorsed.</p>	<ul style="list-style-type: none"> <li>• Describe the content of the proposal</li> <li>• Commit to following up on the proposal with a visit or phone call, if appropriate</li> <li>• Address it to a specific person – the right person (spell their name correctly)</li> <li>• Have it signed by a Board member</li> </ul>	<ul style="list-style-type: none"> <li>• Let just anybody sign it</li> <li>• Use it to substitute for an abstract or summary</li> <li>• Show you knowledge of the funder's interest areas or reputation</li> </ul>
<p><b>Abstract/Summary</b> A clear, interesting, succinct and polished 1-page summary of the grant request. This is the reviewer's first impression of your proposal.</p>	<ul style="list-style-type: none"> <li>• Identify the target clients of the service</li> <li>• Describe the problem and/or need</li> <li>• Describe the project's desired results</li> <li>• State the total cost, funds committed and the amount requested</li> </ul>	<ul style="list-style-type: none"> <li>• Put it at the end</li> <li>• Forget to describe the applicant</li> <li>• Write this up front – wait until you have finished writing the grant request.</li> </ul>
<p><b>Introduction</b> A description of the agency's qualifications or credentials.</p>	<ul style="list-style-type: none"> <li>• Establish who is applying for the funds</li> <li>• Describe the applicant agency's purpose and goals</li> <li>• Describe agency programs</li> <li>• Describe who are the clients and constituents</li> <li>• Provide evidence of accomplishments</li> <li>• Offer statistics to support credibility</li> <li>• Include references</li> <li>• Lead into the Problem/ Need Statement</li> <li>• Shouldn't be more than 1-2 pages</li> </ul>	<ul style="list-style-type: none"> <li>• Include jargon</li> <li>• Bore the reader</li> <li>• Go on endlessly</li> <li>• Lose the logic of your argument</li> </ul>

## ESSENTIAL ELEMENTS IN GRANT PROPOSALS

Section	Do's	Don'ts
<p><b>Problem/Need Statement</b> A description and documentation of needs to be met or a specific problem(s) to be resolved by the proposed project.</p>	<ul style="list-style-type: none"> <li>• Show involvement of the clients/constituents</li> <li>• State the need in terms of what is needed for the clients and constituents</li> <li>• Describe how the needs were identified</li> <li>• Support needs with statistical data and support from authoritative sources</li> <li>• Link the needs and proposed solutions to the goals of your agency</li> </ul>	<ul style="list-style-type: none"> <li>• Plagiarize or use other's words</li> <li>• Try to resolve the needs of unreasonable dimensions</li> <li>• Make unsupported claims</li> <li>• Argue for an unsubstantiated need</li> <li>• Make assumptions or use jargon</li> <li>• Be vague or boring</li> </ul>
<p><b>Plan of Operation</b> A description of the proposed project, implementation and management plans.</p>	<ul style="list-style-type: none"> <li>• Define challenging, but achievable, outcomes</li> <li>• Collaborate with other agencies, when possible</li> <li>• Show how objectives and methods meet needs</li> <li>• Demonstrate community involvement in planning</li> <li>• Project Design – a broad picture of your project and what you expect to accomplish</li> <li>• Goals – a specific and measurable statement which tells who, what, and when</li> <li>• Activities/Methods – how you expect to accomplish the objectives (include sequence, staff and clients)</li> <li>• Management Plan – how the project will come together</li> </ul>	<ul style="list-style-type: none"> <li>• Propose unreasonable scope of activities</li> <li>• Propose unrealistic timelines</li> </ul>

## ESSENTIAL ELEMENTS IN GRANT PROPOSALS

Section	Do's	Don'ts
<p><b>Budget &amp; Cost Effectiveness</b> A description of projected costs, in-kind and cash contributions, and benefits in terms of costs.</p>	<ul style="list-style-type: none"> <li>• Complete the budget before you write the grant</li> <li>• Let the budget reflect exactly what you propose in the narrative</li> <li>• Provide all information:               <ul style="list-style-type: none"> <li>▪ Salary rate</li> <li>▪ Percentage of time for salary</li> <li>▪ Fringe benefits</li> <li>▪ Mileage rates for travel</li> <li>▪ Per diem rates</li> <li>▪ Honorarium rates, etc</li> </ul> </li> <li>• Include all items for which funding is requested</li> <li>• Include items paid by other sources</li> <li>• Describe the benefits to target groups</li> </ul>	<ul style="list-style-type: none"> <li>• Introduce any unexplained or unexpected items</li> <li>• Request unexplained amounts, such as "contingency funds"</li> <li>• Inflate the budget by requesting more than you need</li> <li>• Request major equipment purchases that are not justified by the project</li> </ul>
<p><b>Key Personnel</b> A justification for, and a description of, the qualifications and responsibilities of the project director and other staff, volunteers and consultants.</p>	<ul style="list-style-type: none"> <li>• Have up-to-date resumes that include experience, credentials, and affiliations</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<p><b>Evaluation</b> Plans for determining the degree to which the project implementation and desired results are achieved.</p>	<ul style="list-style-type: none"> <li>• Take the project evaluation component very seriously</li> <li>• Start to think about the end result at the beginning of the project</li> <li>• Decide who will conduct the evaluations</li> </ul>	<ul style="list-style-type: none"> <li>• Don't write this section at the last minute</li> <li>• Don't think that anybody can write a project evaluation</li> </ul>

### **Appealing & Appalling Proposals**

Are the proposals you send out to funders appealing or appalling? You be the judge.

It is very important to understand that your organization, the recipient of the grant, is only the conduit between the funders and the people who will ultimately benefit from the project or services. Keeping this in mind, the proposal, aside from the demographics and supporting documentation, needs to tell a great story.

### **Appealing Proposals**

Tell your story in the simplest terms so that the reader understands exactly who you are, what you do and who you are doing it for.

Please read the application twice the first time so that you understand what the funders want; the second time to outline what needs to be done and who is to do it. The following checklist will guide you through the process of preparing proposals that will stand out from the rest:

#### **Writing Tips**

- Employ the rules of good grammar
- Organized thoughts
- Gets to the point
- Good paragraph structure
- Good punctuation
- Good format
- Correct spelling
- Proofread – have someone outside of your organization read the document to assure that what you're asking for is clearly understood
- Make your proposal attractive and easy to read
- Stick with your strong outline
- Pay attention to the details
- Use concise, persuasive language
- Make sure you follow the Guidelines requirements for content and format, and number of pages
- Relate all sentences in a paragraph to the topic sentence
- Keep in mind that you are writing to the review criteria

## ESSENTIAL ELEMENTS IN GRANT PROPOSALS

- Make your application easy to read - leave open white space and use bold headings and subheadings, as needed
- Make sure you provide a direct and explained link to the Request for Proposal's (RFP's) purpose and goals
- Make sure your supporting letters endorse the project, add information about the project personnel and consultants, and provide specifics about what type of support will be made available
- Prepare a realistic budget with strong justification
- Make sure your application includes the appropriate authorized signature(s)
- Ensure that your grant application is neat, complete, and submitted on time

### **Budget**

- Have someone double check the budget and the figures to be certain that they are accurate
- Always do a budget narrative to describe how you arrived at your figures
- Make sure that the budget agrees with the project narrative and staffing requirements

### **Packaging**

Usually when funders receive proposals they separate them for different teams to review. Help them out.

- A 3-ring binder with tabs, and exhibits makes a great package, but ask the funder if they accept proposals in binders
- Don't bind it unless the funder accepts bound proposals
- Do use a 2-hole prong fastener or a large binder clip
- Make the appropriate number of copies that were requested in the Guidelines
- If there is a check-off list, make sure your documents are in that order
- Use an off-white or cream color paper, if allowed – do not use colored paper
- If inserting color charts, graphs or pictures into your proposal, be aware that your photocopies will be in black and white. Remember to make adjustments to your copies if you want them to be legible

## ESSENTIAL ELEMENTS IN GRANT PROPOSALS

- Sign the original proposal in blue ink (so that the original can be recognized when photocopying)
- Assure that all requested attachments are included with the appropriate number of copies
- Make the appropriate number of copies that were requested in the Guidelines
- If there is a check-off list, make sure your documents are in that order

### Use preferred fonts

- Use fonts at least 10 to 12 point Arial or Times New Roman
- Avoid using fancy or distracting fonts

### Proper page set up

- One-inch margins on all sides so the grant reviewer has room to score the proposal
- A header or footer identifying the organization on all pages
- Make it easy to read
- KISS – Keep It Simple & Specific
- Use double spacing, if you don't have page limitations
- Number the pages
- Follow the directions
- If the proposal is a question and answer format, don't deviate
- If asked, answer repetitive questions; if not, don't be repetitive

### Delivering Your Proposal

- To win it you need to be in it – therefore, **you must be in on time!**
- **Hand deliver** – bring a typed receipt for the recipient to sign and date indicating receipt of your proposal
- **US Mail** – send proposals Certified Mail, with a Return Receipt Requested
- **On-line** – don't wait until the last minute to submit your proposal. Although we don't like to think it happens, sometimes technology fails and proposals are rejected for not being received on time

# ESSENTIAL ELEMENTS IN GRANT PROPOSALS

## **Appalling Proposals**

- Do not follow application guidelines
- Assume all funders operate in the same way
- Assume the reader knows the organization
- Are sloppy
- Have many omissions
- List unrealistic spending projections
- Have insufficient documentation
- Have goals and objective which do not meet the documented needs
- Omit a thank you to the funder for the ability to apply

Section 4

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# Grant Management

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## SECTION 4: ESSENTIAL ELEMENTS IN GRANT PROPOSALS

Millions of dollars are waiting for you! Many organizations have money due to them for services rendered, but they have not submitted either a final voucher and/or a final report to the funders to claim the monies due to them.

We have given you helpful hints on how to search for grants from both traditional and non-traditional resources. While doing our research we have interviewed many different types of funders (private and public) and all of them have said the same thing: organizations are doing much better at finding money and writing good proposals, but after they are awarded the contract they are not managing the grants well. "Managing the grant dollars is the weakest link in the giving process chain" they claim. It seems that some agencies do not have systems and procedures in place, and have not setup regular communications updates between the key players.

We have heard of many cases where large amounts of money have been left unclaimed because the grantee did not perform the required services within the time frame of the grant or they could not justify the expenses spent with grant money, or they just did not submit a final report or final voucher to claim monies due.

In these times where resources are becoming so hard to find we recommend that all organizations review the status of your past and present grants and if there are open balances, that you take appropriate steps to claim the money that is due.

### **Grants Management: An Overview**

A grant recipient's job is far from over once the check is received. In fact, that is when the real work begins.

Today's grant makers are taking a more active role in monitoring projects they have funded – making sure they have measurable results to report to their boards or trustees. It is vitally important that grantees track grant funds in order to assure grant makers that the programs under their stewardship have been successful.

If the grant award originated from a foundation or corporation, the award process can be fairly quick and painless. However, if the grant award is from a government agency there can be a lengthy contract negotiation period. Government awards are generally more tedious to manage than corporate or foundation grants.

### **Government Awards**

Contracting begins with the development of a document containing both standard provisions and assurances and specifics about the funded project. It is during this process that the organization and the grant making agency can actually alter the specifics of the proposed project. At this time, budgets, payment dates, and amounts are agreed upon. Allowable costs are specified and flexibility to change amounts between categories is constrained.

## SECTION 4: ESSENTIAL ELEMENTS IN GRANT PROPOSALS

The work plan is also reviewed and included in the contract, often tied to payment dates. To get the second quarterly payment, for example, the activities specified in the first quarter must be completed (or an explanation of why the work wasn't completed is included.)

It quickly becomes obvious that once an organization receives an award, it will have to comply with numerous grants management and follow-up requirements that will address recordkeeping systems, accounting and financial reporting systems, organizational performance, and administrative capabilities.

### **Foundation and Corporate Awards**

Unless the organization has received a large commitment of funds from a private funding source, such as a foundation or corporation, there is seldom a negotiations process as with federal or state grants. The proposal submitted by the organization is taken at face value.

It is, therefore, important that the grant maker is notified immediately if anything has changed since the organization submitted the grant request. Upon notification of the award the grantee organization will receive a set of forms and reporting requirements which should be reviewed, signed, and sent back to the grant maker as soon as possible upon receipt.

"Stay on top of the paperwork. Don't get behind in any of your filings – tracking, reports, or amendments."

"A grant is more easily implemented and will operate more effectively if management procedures are planned during the development of the proposal.

Management of a grant involves both financial and programmatic aspects. Both aspects require documentation for audit purposes and for ensuring that the proposed activities are accomplished."

## SECTION 4: ESSENTIAL ELEMENTS IN GRANT PROPOSALS

### Who Manages the Post Award?

There are three people involved in post award management – the project director, the program officer, and the bookkeeper/accountant.

#### Project Director

The Project Director is responsible for administering the project in accordance with both organization's and grant maker's policies, for supervising personnel and overseeing work done, for maintaining data, and for planning expenditures properly.

The Project Director must submit progress and final reports to the grant maker as required in the award agreement. The Project Director also must observe any other legal stipulations in the grant award.

If re-budgeting, program adjustments, or time extensions are necessary, the Project Director is responsible for working with the bookkeeper/accounting office and the grant maker to make the needed changes.

Assign a Project Director for every proposal submitted. Don't wait until the grant is awarded. Make sure the Project Director is involved in the development of the proposed project.

#### Program Officer

If an organization receives a grant award from a government agency, or a larger foundation or corporate foundation, a Program Officer will be assigned by the grant maker to oversee the project

The Program Officer monitors the success of the project on both a performance and financial basis. Program Officers examine:

- the status of the project goals and objectives;
- changes in the scope of the project;
- performance report submissions; and,
- excessive or minimal project expenditures.

Program Officers monitor the project to ensure that it is:

- making substantial annual progress;
- fiscally responsible;
- demonstrating good record keeping; and,
- using evaluation data to inform project decisions and document outcomes.

## SECTION 4: ESSENTIAL ELEMENTS IN GRANT PROPOSALS

It is very important, and it is required, that an organization notify the designated Program Officer of developments that have a significant impact on the award activities, such as problems, delays, or adverse conditions.

### **Bookkeeper/Accountant**

Establishment and maintenance of all accounting and financial reporting systems, including general ledger, disbursements, cash management and preparation of work papers for audits should be overseen by the Project Director in cooperation with the Bookkeeper/Accountant.

There are two broad categories of grants management that the organization will need to track: those associated with project implementation; and those that are part of closing out a grant, a term used to encompass all of the activities that occur when the award has ended.

“Include the bookkeeper/accountant in the development of the project budget for the grant proposal. The budget projections will be more accurate and the line items will be properly coded.”

### **Checklist for Managing a Grant Award**

During the project implementation phase, the organization will carry out the activities it proposed in its grant application. The organization will have to show the awarding agency, foundation, or corporation that it is meeting its stated objectives and following grant requirements. If it is a government grant, the organization will be asked to ensure that it is complying with all of the laws, regulations, and grant terms that apply to a particular government program, as well as numerous government-wide requirements that apply to all grants. As part of any grant agreement, the organization will have to evaluate the project, and in some instances, the organization may be asked to help disseminate successful practices and projects to other organizations.

Once a grant is received, it is critical that the organization be accountable for all of the funds entrusted to the organization by the grant maker.

The following checklist can help in managing grant awards.

- Read all the materials in the grant award package, and pay particular attention to the grant contract.
- Have the authorizing official sign the grant contract. Keep one copy for the organization's file, and one copy for the accountant, and return those copies or originals as required by the contract.

## SECTION 4: ESSENTIAL ELEMENTS IN GRANT PROPOSALS

- Notify the project personnel about the grant award, especially if their employment depends on the grant.
- Issue a press release about the award. Take advantage of this opportunity to get the organization some positive press. It helps build credibility in the community.
- Formally thank the grant maker. (A letter should be issued on letterhead and signed by the President of the Board of Directors). Unless it is culturally appropriate, no gifts should be sent.
- Make a separate file drawer (or section) for the grant award and label it with the name and assigned grant number (if there is one) of the project. Put a copy of the grant application, the contract, and reporting forms in these files. Also keep a copy of all correspondence about the grant in these files.
- Review the contract with the person who will be “on point” for managing the grant award. Make note of any special provisions for which the organization needs to plan. During this session the point person will need to:
  - Create a grant award calendar and note all reporting dates, and any other benchmarks that need to be achieved. Color code the reporting dates and allocate the two weeks prior to the report deadline to prepare the report.
  - Review the final report requirements, make note of any information that should be collected, and develop a plan to collect this information. Add it to the calendar.
  - Determine a launch date and notify the grant maker of the date when the project will begin.
- Have a formal “launch,” inviting board members, volunteers, staff, collaborative partners, etc. that will be involved. Outline the project in a short presentation, thank them for their help in acquiring the funds, and introduce the Project Director.
- Keep a ledger of income and expenses related to the project. Keep all receipts, and make sure to use generally accepted accounting practices.
- Send the final report package on time. Taking time to prepare a thorough, clearly written final report demonstrates the organization’s accountability for the award.

## SECTION 4: ESSENTIAL ELEMENTS IN GRANT PROPOSALS

### **Grant Expenditures & Financial Monitoring**

To help ensure the financial success of a grant, it is important to involve the organization's bookkeeper to help monitor purchase orders, prepare journal entries and budget amendments, as well as provide assistance and guidance in all finance-related issues.

Every month, the bookkeeper should provide you with a report that will indicate the amounts spent in each line item, encumbered, and the balances left to spend.

Review these reports carefully each month to assure that grant funds are spent on time and any negative balances are resolved. Negative balances may be caused by 1) incorrect coding, which is adjusted with a journal voucher; or 2) spending more than was initially approved in an expenditure category on the grant application, in which case a budget amendment must be prepared by the bookkeeper.

### **Amending a Grant Award**

An amendment is a change to the scope of the original project, for example, modifying items to be purchased, extending the period of performance, or requesting to use funds that may be left over after the project scope has been carried out.

Each grant maker will have specific rules that will need to be followed for submitting an amendment request. These procedures should be outlined in the grant award. If not, call the grant maker and ask for the proper procedure to follow.

Requests for extensions of performance period should include specifics on the time frame for completing the project (including significant milestones), why additional time is needed, and the monetary impact of the extension. Changes to requested detail items should include justification for the change and the impact it will have on the project.

If the project is completed and there are remaining funds, several different options for the use of the excess funds are available, including: 1) using the funds to continue or expand activities within the project; or 2) returning any excess funds to the grant maker.

To exercise option one, you must submit an amended budget to the grant maker and ask for their permission to apply the excess funds accordingly.

To exercise option two, state in the final performance report the total amount of funding used. Be sure to state that the remaining funds are not necessary for the organization to fulfill the grant obligations.

## SECTION 4: ESSENTIAL ELEMENTS IN GRANT PROPOSALS

### Inventory Procedures

The Project Director must maintain, for audit purposes, an accurate accounting of all audio/visual materials, equipment and furniture, and software or hardware, etc. purchased with grant funds.

### Managing the Program

It is equally as important to plan for the management of the programmatic aspects of the grant, as it is to plan for the financial. Auditors will require verification that the grant funds were used for the purposes for which the grant was awarded. Since grants are awarded for a variety of purposes, it is not possible to outline exact procedures to follow. However, the following series of questions should help the grant program staff identify areas for which management procedures are necessary.

1. If the grant provides funds for staff, who will be responsible for supervision and performance evaluation?
2. How will grant-funded staff document that they have implemented only those activities approved by the grant?
3. If a grant-funded instructional program requires coordination with the regular cost center program, how will this be documented?
4. When grant funds are used to provide direct services to particular types of students, how will it be verified that the students served meet the selection criteria?
5. Do special grant requirements, such as project evaluation, make it necessary to collect and maintain student information (name, date of birth, gender, ethnic data)?
6. How will the grant writer let cost center administrators and program staff know the "rules of the game"?
7. What monitoring procedures will be used?
8. What documentation will be necessary to verify that grant-funded equipment and materials are used only for approved purposes?
9. How long must records of the grant be maintained? Where and in what form will they be stored?

The above questions represent only some of the areas for which management procedures may be necessary. It is the responsibility of the Grant Program staff to

## SECTION 4: ESSENTIAL ELEMENTS IN GRANT PROPOSALS

carefully review all requirements and to implement procedures that will ensure that the grant is implemented as approved.

### **Reporting: Submitting Reports**

The Project Director is responsible for preparing and submitting all reports required by the grant maker. This is an important obligation. Failing to turn in reports in a timely manner can result in the grant maker delaying or suspending final payments on the grant. It also can jeopardize future funding from the grant maker.

#### **Common Report Format**

Government grants require very specific forms to be completed and a project narrative submitted as part of the grant report. Follow the instructions precisely. Any questions should be directed to the assigned Program Officer. Incorrect or missing information can hold up a final payment for months.

Foundations and corporate giving programs may also ask for a specific format to be followed in their reports. However, many will only ask for "a report," and provide little direction on what should be included.

If there is no set report format, adhere to the following common requirements.

The standard information on a cover page should include:

- Date
- Name and full street address of organization
- Contact person(s) and title(s)
- Email address, telephone, and fax numbers of organization and contact person(s)
- Name and short description of the project or initiative
- Type of grant support (project, general operating, capacity building, capital, etc.)
- Grant amount and grant period
- Dates covered by the report

The rest of the report can be organized into four sections:

1. Review
2. Evaluation
3. Finances
4. Sustainability

## SECTION 4: ESSENTIAL ELEMENTS IN GRANT PROPOSALS

### Report Format Checklist

#### Review

The narrative for the Review section of the report (interim or final) should:

- Restate the purpose of the grant, including the goals and objectives.
- Relate the activities completed to the objectives.
- Link all activities to the budget.
- Include steps that will lead to complete implementation of the plan (if this is an interim report).
- Reaffirm the organizational structure of the project and note any changes in project leadership.
- Indicate the roles and accomplishments of project staff, and describe the role of volunteers, including advisory board and collaborative partners.
- Make sure all key tasks have been addressed. If this is an interim report mention who will be responsible for key tasks yet to be undertaken.

#### Evaluation

The narrative for the Evaluation section of the report (interim or final) should:

- Describe the overall success achieved during the grant period to-date.
- Note the key lessons learned. (Was it different than expected? What setbacks were encountered? How did the organization respond to these challenges?)
- Articulate the outcomes accomplished in the short-term and how these will affect long term goals.
- Specify how the organization is using and sharing the evaluation results (dissemination) and lessons learned, both internally and externally.

#### Finances

- Provide financial statements showing budgeted versus actual revenue and expenses for the funded project.
- For a general operating grant, provide a financial statement for the organization for the grant period. Again, show budgeted versus actual revenue and expenditures.

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### Sustainability

- ❑ Briefly describe the next phase of the project and how the organization expects to sustain this effort. Indicate any additional resources secured during the grant period and how the organization might use them to strengthen the project and organization.
- ❑ If the organization has developed a long range plan that incorporates the sustainability of this particular project, include a copy of the long-range strategic operating plan.

### Final Report and Closeout

At the end of the grant period, the organization's responsibilities will include:

- closing the grant account within the accounting or banking institution and returning any unused funds, and,
- completing all final required financial and program reports.

Most organizations are required to submit a final performance report within 90 days after the end of the performance period. Therefore, all financial obligations should be liquidated within 90 days after the end of the performance period. Organizations can still draw down funds during this period to pay for valid obligations made during the performance period; however, no new obligations should be made after the performance period has ended.

Keep copies of all the filed reports, whether interim or final.

### Some Final Words on Grants Management

There are two basic rules to follow throughout the post award process:

- notify the grant maker of any and all cost overruns; and,
- never use money from one project to pay expenses for another.

If reporting requirements, include certifying the time expended by staff on the project, then provide each staff member with a "certification of time expended" form to document their time throughout each month. The form should include:

- Name of the grant (and grant award number if there is one).
- Employee name, position/title.
- Percentage of their time devoted to the grant.
- Date, work performed (tasks) and a running total of the number of hours worked to-date on this project.
- A signature line for both the employee and the Project Director.

## SECTION 4: ESSENTIAL ELEMENTS IN GRANT PROPOSALS

To assist with reporting, keep notes on accomplishments. Ask others working on the project to do the same. This will provide an honest assessment of completed tasks and results and make writing the report that much easier.

Set up an accounting system for the project according to the line items in the budget approved.

If the organization receives a large grant but has never managed one before, it is helpful to establish a separate checking account.

Have a colleague double-check the accounting report before submission.

Always notify the grant maker if any contact information changes, especially assigning a new Project Director.

Use the evaluation component of the final report to help develop the need statement for the next grant proposal.

Remember, effective grants management is a vital element of a healthy relationship between the organization and the grant maker and can lead to continued funding year after year.