

## Are you ready to apply?

Before you begin applying for any type of grant, it is important to assess the readiness of your charitable organization. Several components need to be in place before you can begin applying for funds, including:

**501(c)(3) Status:** Most funding sources will only grant money to organizations with nonprofit status. Obtaining 501(c)(3) status means an organization is tax-exempt and contributions are tax deductible, but its allowable net profit is limited to a small percent of its income. The designation also limits allowable political and legislative activities. Make sure your organization is aware of these factors before you begin the application process. Visit [www.irs.gov](http://www.irs.gov) to learn more about the application process. The Center for Non Profit management also offers a guide, *Get ready-Get Set: A Guide to Launching a Nonprofit Organization*, for free on their website [www.cnmsocal.org/StartingANonprofit.html](http://www.cnmsocal.org/StartingANonprofit.html).

**Clear mission and vision:** Funders like to see a clearly defined mission and vision. Detailed objectives and program plans should tie directly back to the overall mission.

**Proven track record:** If you can prove that your organization has a history of accomplishments and success, funders are more likely to award a grant to your organization. If you are a new organization, consider partnering with an existing organization until you have established program results.

### Volunteers working within your program:

Volunteers not only provide manpower to your organization, but they also demonstrate community support for your programs. Funders often consider community involvement when approving grants.

**A board of directors that has a clear sense of its responsibility in the process:** Board members should not only contribute their time, but also their money. Outside contributors may be reluctant to support your organization if members of your board do not make donations. These can either be personal donations, or proceeds from fundraising campaigns.

## Researching Potential Funders

Once you have the basics of your organization in place, the next step is researching potential funders. Preliminary research is vital. Research takes time and can be very overwhelming; however, you want to target funding sources that fit the needs of your organization. The biggest reason proposals are not approved is because organizations request money for work outside the funder's guidelines. The following are good places to begin this research:

- **The Foundation Center** ([www.fdncenter.org](http://www.fdncenter.org)) offers links to grantmakers, online directories, and a wealth of other information. *Start here.*
- **Nonprofit Gateway** has links to government grants at [www.nonprofit.gov/resource/support.html](http://www.nonprofit.gov/resource/support.html)
- **Chronicle of Philanthropy** [www.philanthropy.com](http://www.philanthropy.com)
- **The Fundraising Directory** [www.fundraisingdirectory.com](http://www.fundraisingdirectory.com)

## Before You Start Writing

Remember, good ideas don't get funded. People who convince funders that they know how to make good ideas work get funded.

**Develop your idea to its fullest potential.** Have a clear sense of what you want to do and how you are going to do it. The more specific, the better.

**Research your idea.** Know why it's a good idea, and how it specifically fits an unmet need. Learn whether it has been tried before, with what success and why, and what its impact has been.

**Be very clear about what your project is intended to accomplish.** Know what will change as a result of your project.

**Take a hard look at whether the project is worth your investment.** Demonstrate how this project fits with your current mission and the work you are doing.

**Review the proposal guidelines.** Then review them again. Make sure your project fits in the scope and funding limitations of the application.

## Proposal Format

There is no model proposal that you can follow to write your request. The format you should use depends on the funder, the complexity of the proposed program, and the nature of the request.

However, the essential components of an application tend to stay the same. These include:

- **Summary/Overview:** Clearly and concisely summarize your request.
- **Introduction:** Describe your organization's qualifications and previous successes.
- **Opportunity Statement or Needs Assessment:** Document the needs to be met by the proposed funding.
- **Objectives:** Establish the benefits of the funding in measurable terms.
- **Implementation:** Describe the activities to be used to achieve the desired results.
- **Evaluation:** Present a plan for determining the degree to which objectives are met and methods followed.
- **Future or Other Funding:** Describe a plan for continuation beyond the grant period, or for the availability of other resources necessary to implement grant.
- **Budget:** Clearly delineate costs to be met by the funding source and those to be provided by the applicant or other partners.

Remember, most of the writing is usually done by one person, but the planning and research should be done by all those involved in the process. Specifically involve those who will be implementing the program. This will ensure that the writer does not ask for funding outside of the scope of the organization.

## Foundation Types

Government funding—federal, state and local—is often limited and most grant programs are highly competitive. As a result, many grantseekers are looking for alternative funders for resources to support new programs and ideas. Many foundations are more flexible in their giving than government funders. Foundations may also be more experimental and many are looking for new, innovative

approaches to community issues. These are the basic types of foundations to consider as potential partners:

**Independent Foundations** – Designated by the IRS as private foundations, the primary purpose is grantmaking. Assets are often derived from individuals or family members. Their interests are usually limited to specific program areas and giving is often restricted to specific geographic areas.

**Company-Sponsored Foundations** – These are established and funded by the assets from a profit making company. Grantmaking is independent from the corporate giving programs administered by the corporation. They usually give in the geographic areas in which the company has facilities.

**Community Foundations** – These are publicly supported charities that serve specific communities or regions. Community foundations' funds are derived from many donors rather than a single source and funding priorities are based on local needs.

**Operating Foundations** – These organizations exist to conduct specific activities, such as research, social welfare, or other programs as designated by their charter or governing body. These foundations usually pre-select organizations for awards and seldom award grants to other organizations.

### **Other Tips**

Read annual reports and other publications to become more familiar with a foundation's technical terms and jargon. This could help clarify the application requirements.

Try to identify funders whose interests match your organization's needs and interests, or funders that have donated to your type of organization or in your program area. Find out if a foundation permits inclusion of "indirect expenses" in the application to defray your organization's general operating costs.

Avoid the "shotgun approach" of seeking funds by sending proposals to every local, regional and national foundation remotely connected to your organization's mission and needs. Instead, use the "rifle approach" by aligning with specific targeted funders that you have thoroughly researched.

You may want to canvass potential funders with a one- to two-page letter of inquiry, paying attention to eligibility requirements and limitations such as geographic area, program area and grant type. The letter of inquiry can be general or specific in focus.

- The **general letter** of inquiry goes into great length about your organization – present goals and major projects; membership, board and staff; past supporters – and only briefly describes your proposed project. This type of letter mainly tries to interest a foundation in who you are and supporting your overall mission.
- The **specific inquiry** letter summarizes your organization's mission and goals, and describes in detail the project you are planning to implement. This letter is used to request one-time or single project support.

Both letters should include the following elements: organization fact sheet with key personnel, board list and membership; 501(c)(3) determination letter; how your program meets the funder's interest and priorities; and other materials to establish your credibility.

### **Additional Resources**

- **Center for Nonprofit Management:** *The Grant Seeker's Handbook* is an excellent resource.  
<http://www.cnmsocal.org/Grantseekers/intro.html>.
- **The Council on Foundations:** Call 202-466-6512 or visit [www.cof.org](http://www.cof.org).
- **The Foundation Center:** Call 212-620-4230 or visit [www.fdncenter.org](http://www.fdncenter.org). In particular, see *Foundation Fundamentals: A Guide to Grantseekers* at the online bookshelf.
- **Grantsmanship Center:** Call 213-482-9860 or visit [www.tgci.com](http://www.tgci.com).
- **Community Connections:** Call 800-998-9999 or visit [www.comcon.org](http://www.comcon.org).
- **The Enterprise Foundation:** Call 410-964-1230 or visit [www.enterprisefoundation.org](http://www.enterprisefoundation.org).

# Tips for Successful Grantseeking



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