

# *Research, Developing and Writing a Grant Proposal*

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## *Introduction to American Foundations*

What is a foundation? A foundation is a nongovernmental, nonprofit organization. It has a principle fund or endowment. It is managed by its own trustees and directors. It maintains or aids charitable, educational, religious, or other activities serving the public good. It makes grants, primarily to other nonprofit organizations.

There are more than 45,000 US private foundations. This number is growing each week.

### **Foundation Types**

There are four types of foundations:

- \* *independent foundations* established by a person or family of wealth (this comprises the largest group).
- \* *company-sponsored foundations* (also called corporate foundations) created and funded by business corporations.

\* *operating foundations* established to operate research, social welfare, or other charitable programs deemed worthwhile by the donor or governing body.

\* *community foundations* are supported by and operated for the benefit of a specific community or region.

## *Researching for Grants*

### **I. Research Methods**

The most effective results come from using one of the following research approaches.

*Subject Method.* The subject approach identifies foundations that have expressed an interest in funding programs in a specific subject field, such as higher education, or the arts.

*Geographic Method.* The geographic approach identifies foundations those fund programs in a particular city, state, or region. Although some give nationally and even internationally, most funders limit their giving to specific geographic areas.

*Type of Support Method.* The type of support approach identifies foundations that provide specified types of support, such as building funds, seed money, scholarships to individuals or general operating support.

### **II. Creating a Prospect List**

Use Foundation Center web site, web search engines and other published resources to create a list of possible funders. Choose prospective funders by examining their descriptive profiles and

recent giving histories. Good prospect foundations might include:

- (1) those who have already supported projects similar to yours,
- (2) awarded the type of support you are seeking  
and/or
- (3) are in your geographic area.

### **III. Funding Selection Criteria Hints**

Funding officials will first ascertain that the purpose of an organization or project matches the funder's interests. Other issues that may well concern a funder, and which help to establish an organization's credibility, include:

- (1) evidence that it is well known in its community and  
addresses an  
existing need,
- (2) a history of funding by other sources, whether governmental  
or  
private,
- (3) demonstrated sound fiscal management,
- (4) a strong, involved board,
- (5) committed volunteers and  
qualified staff  
and
- (6) a realistic budget.

### **IV. Types of Support Provided**

Although many foundations will consider general support, others fund specific projects or activities. Therefore, it is important to ask yourself,

"What type of support is my organization seeking at this time?"

Foundations occasionally restrict the number of new proposals they will accept because of ongoing commitments. However, no foundation wants grant recipients entirely dependent on them for an indefinite period of time. Therefore, it is critical to develop a self-supporting strategy.

## *Developing and Writing a Foundation Grant Proposal*

### **I. Introduction**

The core topic is proposal writing. However, a proposal is but one part of a process. This process, fundraising, also includes: (1) planning and research on, (2) outreach to, and (3) cultivation potential foundations and corporate donors. The process' purpose is to create a partnership between the NGO and the donor. The NGO has the ideas. It may understand local problems and opportunities. It may have the capacity to solve problems. However, it lacks dollars to implement solutions. Foundations and corporations have the financial resources. When they come together through partnering synergy is created.

Fundraising is a step-by-step process. It takes time. It requires persistence to succeed. It may take as long as a year to obtain project funds.

Fundraising is an investment in the future. The strategy and goal ought to be to build a network of foundations and corporate funders, many of which may give small gifts on a fairly steady basis and a few, large, periodic grants. A foundation is a nongovernmental organization. It has an endowment or principle fund. Corporate funders are corporations which have a principle fund and/or public service program.

The NGO also needs to develop a sustainable strategy whereby, it also generates revenues. This may involve charging for services. Contracting with other NGOs to perform services. Trade and/or professional associations can charge membership dues, provided fee based services such as insurance, workshops and consulting, charge vendors for trade show booths and sell publication advertising.

## II. Developing and Writing the Proposal

### A. Gathering Background Information

First, background documentation to support the proposal must be secured. Three types are required: concept, program, and expenses. Data-gathering process makes the actual writing easier.

#### Concept

It is critical to present a good presentation of how the project relates to your organization's philosophy and mission. The project need must also be documented. These concepts must be well articulated. Funders want to know that a project supports and is related to the overall direction of an organization. They may also need to be convinced by a compelling project case. Background data on the organization and the need to be addressed must be collected so as to present well-documented arguments.

## Program

The following items are required program information:

- (1) nature of the project and how it will be conducted;
- (2) timetable for the project;
- (3) anticipated outcomes and how best to evaluate the results;  
and
- (4) staffing needs, including deployment of existing staff  
and new hires.

## Expenses

The main financial data gathering takes place after the narrative part of the master proposal has been written. However, a broad outlines of the budget needs to be created to ensure that the costs are in reasonable proportion to the anticipated outcomes. If costs appear prohibitive, they need to be scale back and/or the project modified.

## B. Components of a Proposal

### I. Executive Summary

A general statement of the project, core arguments, and summary the entire proposal (1 page)

### II. Statement of Need

Why this project is necessary (2 pages)

### III. Project Description

The "nuts and bolts" of how the project will be implemented (3 pages)

#### **IV. Budget**

The financial description of the project plus explanatory notes (1 page)

#### **V. Organizational Information**

The organization's history and governing structure, its primary activities, audiences, and services (1 page)

#### **VI. Conclusion**

The summary of the proposal's core points (2 paragraphs)

#### **The Executive Summary**

The executive summary is the most important section. It summarizes all key information. It should be designed to convince the reader that this project is needed and will be successful. It should include:

**Problem** - a brief problem or need statement the organization has identified and will address (one or two paragraphs);

**Solution** - a brief project description, including what will take place and the number of people benefiting, how and where it will operate, for how long, and who will staff it (one or two paragraphs);

**Funding requirements**- an explanation of the amount of money required and plans for use (one paragraph); and

**Organization and its expertise**- a brief statement of the organization's history, purpose, and activities, emphasize its capacity to carry out the proposal (one paragraph).

#### **The Statement of Need**

The statement of need should enable the reader to learn more about the Issues to be addressed by the project. It presents the facts and evidence Supporting the project. It establishes that the organization understands the problem; and therefore, can reasonably address it. The information used to support the case can come from authorities in the field, as well as from the organization's experience. This section needs to be succinct, yet convincing. It ought to all project arguments. They need to be presented in a logical sequence, designed to convince the reader of their importance.

The following six points ought to be considered.

First, decide what facts or statistics best support the project. Ensure their accuracy. Generic or broad information will not help in developing a winning project argument. Information that does not relate to your organization or the project ought not to be presented. There also should be a balance between the presented information and project scale.

Second, give the reader hope. The painted project picture should not be so grim that the situation appears hopeless. The funder will wonder whether an investment in such a solution will be worthwhile. Avoid overstatements and overly emotional appeals.

Third, decide whether the project will be put forward as a model. This could expand the potential funding base. However, serving as a model works only for certain types of projects. Don't try to make this argument if it doesn't really fit. Funders may also expect a replication plan. If to be presented as a model, the proposal ought to address and document the problem is occurring in other communities. The proposal must explain how the proposal's solution could be a solution for others as well.

Fourth, determine whether it is reasonable to portray the need as acute. This can be done in two ways. First, explain why the problem being addressed is worse than others. Second, explain why the solution is more effective and/or efficient than others.

Fifth, decide whether to demonstrate that the program addresses the identified need differently or better than proceeding projects. However, don't be critical of other NGOs. Why? First, the funder may look more carefully at your project to see why you're demeaning others. Second, the funder may have invested in these other projects. Finally, the funder or may begin to consider them, now that they have brought to their attention.

Indicate that the organization is cognizant of, and on good terms with, others doing work in the field. Remember today's funders are interested in collaboration. They may even ask why there is a lack of collaboration with key competitors. Describe how the project and the organization's work complements, but does not duplicate the work of others.

Sixth, avoid circular reasoning. What is circular reasoning? The solution is presented as the problem and the solution.

The statement of need does not have to be long and involved. Short, concise informative statements are best.

## The Project Description

The project description section should have four subsections: objectives, methods, staffing/administration, and evaluation. Objectives and methods dictate staffing and administrative requirements. They then become the focus of the evaluation to assess project results. These four subsectors, when taken together, present an interlocking, total project picture.

### Objectives

Objectives are the measurable program outcomes. They define project methods. Objectives must be tangible, specific, concrete, measurable, and achievable in a specified time period.

Objectives are often confused with goals. Goals are conceptual and more abstract. A goal example is "expanding association members' professional knowledge and development." An objective example is, "sending ten association members to a business development and management in Moscow."

Well-articulated objectives are increasingly critical to a proposal's success. There are at least four types of objectives:

*Behavioral* - A human action is anticipated.

*Performance* - A specific time frame within which a behavior will occur, at an expected proficiency level, is expected.

*Process* - The manner in which something occurs is an end in itself.

*Product* - A tangible item results.

Objectives must be very clear. They ought to stand out on the page. Use numbers, bullets, or indentations to denote the objectives in the text. Objectives must be realistic. They must deliver what is promised. The funder will want to read in the final report that the project has accomplished its specified objectives.

## Methods

The methods section describes the specific activities that will take place to achieve the objectives. The method section should address:

**How:** This is the detailed description of what will occur from the time the project begins until completion. Presented methods should match the previously stated objectives.

**When:** A timetable should map out the project's sequencing. The timetable tells the reader "when" and provides another summary of the project that supports the rest of the methods section.

**Why:** Supports and/or explains why the selected methods were chosen. This is critical for new or unorthodox methods. Explain why the methods will produce the specified outcome. Address this question in a number of ways. Expert testimony and examples of other successful projects might be presented.

The methods section should enable the reader to visualize project implementation. It should convince the reader that the organization knows what it is doing, thereby establishing its credibility.

## Staffing/Administration

A few sentences need to be presented discussing the number of staff, their qualifications, and specific assignments. Details about individual staff members involved can be included either as part of this section or in the appendix.

"Staffing" may refer to volunteers, consultants or paid staff. Describe tasks that volunteers will perform. Such information

underscores the value added by volunteers as well as project cost-effectiveness.

A paid staff proposal should describe which staff would work full time and which will work part time on the project. Identify staff already employed by the organization and those to be recruited specifically for the project. Discuss how existing staff will be freed up for project work.

Present the practical experience required for key staff, as well as their level of expertise and educational background. If an individual has already been selected to direct the program, summarize his or her credentials and include a brief biographical sketch in the appendix section. A strong project director can help influence a grant decision.

Describe the plans for administering the project. It needs to be crystal clear who is responsible for financial management, project outcomes, and reporting.

## Evaluation

The project must have an evaluation plan. There are two types of formal evaluation. One measures the product; the other analyzes the process. Either or both might be appropriate to the project. The approach chosen will depend on the nature of the project and its objectives. For either type, a description of the manner in which the evaluation information will be collected and how the data will be analyzed must be presented. Plans discussing how the evaluation and its results will be reported and the audience to which it will be directed must be specified.

## The Budget

The budget may be as simple as a one-page statement of projected expenses. Or the proposal may require a complex presentation, including a page on projected support and

revenue and notes explaining various items of expense or of revenue.

### Expense Budget

To prepare the budget, go back through the proposal narrative and make a list of all personnel and nonpersonnel items related to the operation of the project. Then get the relevant costs. Put identified costs next to each item on the list. The list of budget items and performed calculations should be summarized on worksheets. They should be kept. Worksheets can be useful for developing the proposal and discuss it with funders; they are also a valuable tool for monitoring the project once it is under way and for reporting after completion.

#### Example Worksheet

| Item               | Description                                   | Cost                                                        |
|--------------------|-----------------------------------------------|-------------------------------------------------------------|
| Executive director | Supervision                                   | 10% of salary = \$10,000<br>25% benefits = \$ 2,500         |
| Project director   | Hired in month one                            | 11 months at \$35,000 = \$32,083<br>25% benefits = \$ 8,025 |
| Tutors             | 12 working 10 hours per week for three months | $12 \times 10 \times 13 \times \$ 4.50 = \$ 7,020$          |
| Office space       | Requires 25% of current space                 | $25\% \times \$20,000 = \$ 5,000$                           |
| Overhead           | 20% of project cost                           | $20\% \times \$64,628 = \$12,926$                           |

Next, prepare the expense budget. Costs should be grouped into subcategories, selected to reflect critical expense. All significant

costs should be broken out within the subcategories. However, small ones can be combined on one line. Expense might be divided into personnel and nonpersonnel costs. Personnel subcategories might include salaries, benefits, and consultants. Nonpersonnel subcategories might include travel, equipment, and printing, for example, with a dollar figure attached to each line.

### Budget Narrative

A budget narrative is used to explain any unusual line items in the budget. It is not always needed. If costs are straightforward and the numbers tell the story clearly, explanations are redundant.

A budget narrative can be structure in one of two ways. "Notes to the Budget," with footnote-style numbers on the line items in the budget keyed to numbered explanations is one way. If an extensive or more general explanation is required structure the budget narrative as straight text.

### Organizational Information

It is not necessary to include an overwhelm amount of facts about your organization. This information can be conveyed easily by attaching a brochure or other prepared statement. State when the organization came into existence, its mission and describe the organization's structure programs, and special expertise.

Discuss board size, how board members are recruited, and their level of participation. A board member list should be included in an appendix. If the organization is composed of volunteers or has an active volunteer group, describe the function that the volunteers fill. Provide details on the staff, including the numbers of full and part-time staff, and their levels of expertise.

Describe the kinds of activities in which the staff engages. Explain briefly the assistance the organization provides. Describe the audience it serves, any special or unusual needs, its clients' face, and why they rely on the organization. Cite the number of people served. State the organization's expertise, especially as it relates to the proposal.

## Conclusion

The concluding paragraphs are a good place to call attention to the future. If appropriate, outline some of the follow-up activities that might be undertaken to begin to prepare your funders for your next request. Alternatively, present a sustainable strategy for continuing the project without further grant support.

This section is also the place to make a final appeal for the project. Briefly reiterate what the organization wants to do and why it is important. Underscore why the organization needs funding to accomplish it.

## III. The Next Phase

The next stage is grant review. Grant review procedures vary widely, and the decision-making process can take anywhere from a few weeks to six months. The funder may ask for additional or professional references.

If funded, send a letter of thanks. Find out whether the funder has specific forms, procedures, and deadlines for reporting the progress of your project. Clarifying your responsibilities as a grantee at the outset, particularly with respect to financial reporting.

Rejection isn't necessarily the end of the process. Find out why the proposal was rejected.

Did the funder need additional information?  
Would they be interested in considering the proposal at a future date?

This might be the first step in cultivating a relationship. Keep them informed about your organization. Finally, remember the idea of "try, try, try again."