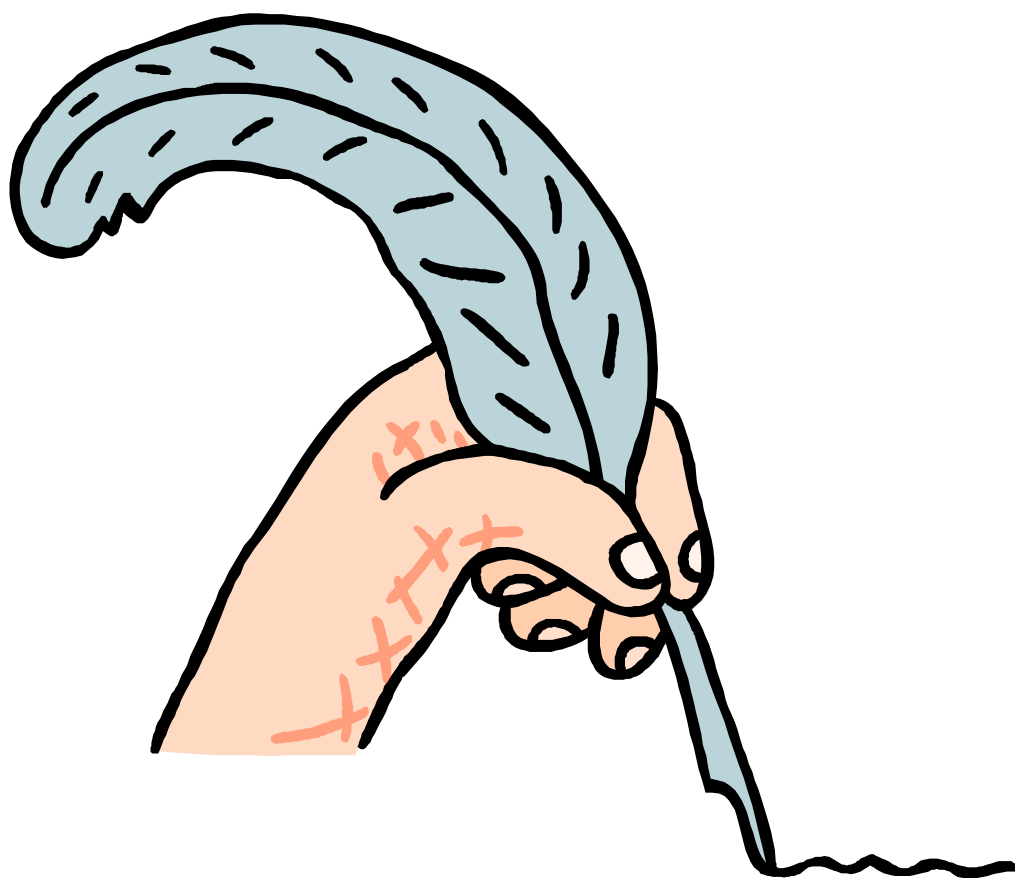


# **A GUIDE FOR NON-PROFIT ORGANIZATIONS ON PROPOSAL WRITING**



**Alberta Community Development**

**February 2004**

## **SPEAKER BIOGRAPHY**

### **ELLEN GREEN**

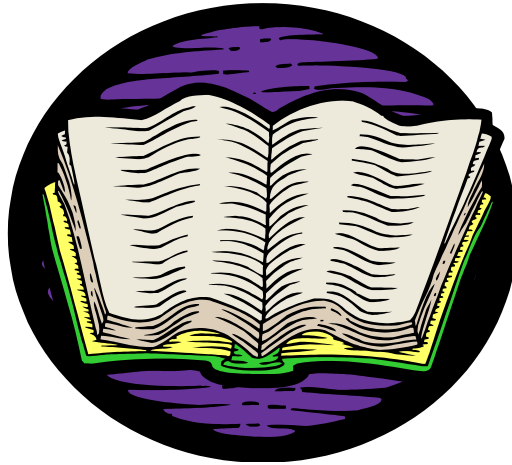
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## **INTRODUCTION**



This manual has been prepared to assist individuals working on behalf of nonprofit organizations to develop successful Letters of Intent and grant proposals aimed at a wide variety of funders. This information will also benefit organizations who are interested in responding to a Request for Proposal (RFP) to obtain funding for a program or service intended for a specific target audience.

Although writing a grant proposal, Letter of Intent or submission in response to a Request for Proposal may appear to be a daunting task, by remaining focused on the task, engaging in sound research and adopting a good working philosophy, you can assist your nonprofit organization to be successful in this important aspect of fundraising.

Successful fundraisers have learned through experience and research, that, regardless of the type of project or program being developed or the nature of the funder being approached, there are a number of underlying principles that remain constant.

Here are a few points to keep in mind:

**Notes:**



- **Nonprofit organizations are not entitled to support – they must earn it.** Nonprofit organizations must always demonstrate to funders and/or to the general public, that they are worthy and deserving of support. Your organization’s history, accomplishments, staff qualifications, volunteer commitment, relationships, mission, vision, accountability, fiscal management, programs, profile, services and overall reputation speak to its credibility and worthiness of funding consideration.
- **Successful fundraising is not “magic.”** A successful proposal is the result of hard work by people who are committed to the task and prepared to undertake the process from proposal development to reconciliation of funds received.
- **Proposals are not only about “raising money” but also about “creating friendships.”** Whether you are approaching a funder for the first time or have enjoyed the benefit of a positive relationship and ongoing support, it is important to ensure your funder’s experience with you is constructive and mutually beneficial *every time*. Be careful not to take advantage of personal and professional relationships.
- **Proposal writing involves “selling” your organization to a potential funder.** As a proposal writer, you must *sell* a potential funder on the value of your organization and the value of your proposed project or program. Professional fundraisers know that, to be successful in their profession, they must master the “art of the ask.” Every experience you have with proposal writing, both successes and failures, will assist you in becoming a more effective advocate for your organization and more successful in obtaining funding for the valuable work your group does in the community.

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- **People do not automatically reach for their chequebooks and give money to nonprofit organizations.** People have to be asked to give, and there are many ways of asking. Submitting a Letter of Intent, issuing a grant proposal for funding consideration, or responding to a Request for Proposal are some ways of eliciting financial support.
- **When developing a proposal, focus on the needs your organization is meeting in the community rather than the needs of your organization.** If you have organizational needs, express them within the context of the community and your target audience.

For example, you may have identified a need within your organization for a web site, which may be a cost-effective solution to some of the problems your organization is experiencing or may open up new opportunities for your group. A funder, on the other hand, may look at your request for a web site as an operating expense and part of the cost of doing business. The nature of your request may also give the funder the impression that your project is not particularly urgent.

To sell a funder on the web site project, focus your efforts on demonstrating how this web site will assist your target audience. If your organization assists people with disabilities, show how your clients will benefit from easier access to information and support 24 hours per day, 7 days a week. You may wish to develop a web site that is disability-friendly and meets generally accepted standards for web accessibility for people with disabilities. Generally, your request needs to be *mission oriented*, not infrastructure oriented.

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- **Don't decide to raise money today and expect to have it tomorrow.** Proposal writing is a *process* and requires time and patience. You need to allow yourself sufficient time to research and identify likely funders whose missions and mandates complement those of your organization. In addition, the length of time for grant proposal adjudication (decision making on the part of the funder) can vary significantly. Some funders are able to give you a fairly quick response. However, corporate funders can take *up to a year* to respond to your request because they may not have an established deadline for making decisions and releasing the funds.
- **Treat your funders as you would investors in a business.** The more informed and involved these investors are, the more likely it is that you will be able to obtain initial funding and subsequent funding in the future. The purpose of obtaining funding is to create some type of positive change. Funders want to be a part of this positive change and will assist organizations that can demonstrate a genuine need and prove they have the capacity to address that need.
- **Be flexible and keep the long-range goal in mind.** Perhaps your funder is not able to provide you with the full amount you requested. Always express your organization's sincere appreciation for the funding it has received. Remember that an initial grant of \$1,000.00 can, with good stewardship on your part, lead to additional money in the future. If your funder cannot provide financial assistance at the present time, consider other options such as donated equipment and volunteer support. Look for ways you can engage a funder in your organization and start working on relationship building. Thoughtful persistence can be a strong ally as you seek support for your organization on different levels over time.

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## ENHANCING YOUR CHANCES OF SUCCESS



Grant seeking is a competitive process, and the competition is steadily increasing. The number of charities in Canada grows by an average of 5% per year. In the United States in 2003, there was a reported 8.5% increase in the number of charities over the previous year. In addition, the definition of what constitutes a charity has changed to include schools, hospitals, chambers of commerce, national parks, and the list goes on. All these groups provide valuable services and most are capable of making a case for support. Your job is to convince a funder that your organization and your project is more worthy than other proposals being considered.

As any salesman will tell you, success in sales involves having confidence in yourself and in the organization you represent, understanding every aspect of your product and understanding needs and expectations of potential buyers. In short, it's not so much about what you're selling as it is about what they're buying. You want to find people and organizations that share your passion and have the capacity and desire to assist you.

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As a proposal writer, you must be completely knowledgeable about your organization. You must be familiar with, and have access to, basic information, such as:

- the Act under which your organization is incorporated (if any);
- charitable status with Canada Revenue Agency (CRA) (if applicable);
- history and qualifications under the project or program;
- mission, mandate, and vision;
- level of community support;
- relevant statistics (volunteer hours, demographics, etc.);
- ongoing and proposed partnerships;
- volunteer involvement;
- organizational structure;
- affiliations and memberships;
- infrastructure (equipment, buildings, lease agreements);
- past, present and proposed funding initiatives;
- operating budget;
- annual report;
- qualifications of staff; and
- how your organization differs from other organizations providing similar programs and services. Know the nonprofit landscape around you.

Of particular importance, and all too often overlooked, is information about strategic planning, either for the organization as a whole or for a specific aspect of the organization (fundraising, program development, etc.). It is easier to sell a funder on your project or proposal if you demonstrate that it is part of an overall organizational plan and consistent with objectives outlined in an *existing* strategic plan. This speaks volumes about the competence and calibre of your organization. Every organization should be able to articulate short-term and long-term goals that address financial sustainability issues and objectives that promote a diversified funding base.

Maintain a file of useful organizational statistics and client comments attesting to the value of your program or service to incorporate into your cover letter and proposal. This will form the basis of a compelling case for support.

**Know Your Project**

An effective proposal writer is knowledgeable about all aspects of the project or program requiring funding. Spend time brainstorming and developing an appealing and descriptive project title. For example, a project titled “Teaching Immigrants How to Read” is descriptive, but not very interesting. A project called, “Ending the Isolation – A Literacy Initiative for New Canadians” has more appeal and gives a potential funder a good idea of what the project is about.

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You should also have a clear understanding of the nature of the project or program’s target audience, benefits, goals and objectives, evaluation methodology (ongoing mechanisms to assess the effectiveness of your project, including established goals and objectives), project timeline, available and required resources (human resources, equipment, office space, buildings), budget, community support specific to the project, relationships to be accessed and partnerships to be established, publicity and promotion, funder recognition and reconciliation. With a thorough understanding of the project, you can successfully communicate its scope and impact.

It is important to have a good perspective of your project or program not only within the context of local and regional issues, but provincially, nationally and even internationally. For example, if your project is designed to encourage Alberta high school students to graduate, you should know that the high school dropout rate in Canada is 20% and the average reading level in Canada is grade seven. Be knowledgeable about important trends and issues as they pertain to your organization and your project.

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Your proposal has a greater chance of being successful if you target it to funders who have expressed an interest in funding projects and organizations similar to yours. Remember, the two most common reasons funders cite for declining a request are:

- The organization applying for funds was ineligible for funding consideration. For example, the funder funds only federally registered charities, organizations with offices in a specified city or service area, or organizations that do not receive funding from United Way.
- The project was ineligible for funding consideration. For example, the funder does not fund multi-year requests, arts-related projects, capital or endowment requests or operating expenses.

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# An Approach to Successful Proposal Writing



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Because most nonprofit organizations have limited resources, a targeted approach to proposal writing is often the most rewarding. Obtaining funding for your project or program will be greatly enhanced if you are an eligible organization (as defined by the funder) submitting a well-written, compelling, complete proposal that:

- Is consistent with your organization’s stated mission, objectives and capabilities;
- Addresses a genuine community need and provides quantifiable (measurable) evidence that the need exists;
- Outlines and focuses on concrete community benefits;
- Stresses the uniqueness of your project and convinces the funder that the request does not duplicate an existing project or program. If similar projects or programs are in place, consider partnerships or collaborations;
- Complements the project objectives and priorities of the funder;
- Adheres to the funder’s established program guidelines;
- Asks for the right amount of financial assistance for an approved purpose (as defined by the funder) in a timely manner;
- Delineates quantifiable goals and objectives;

- Establishes a methodology for ongoing evaluation and project modification;
- Addresses sustainability and future funding issues, if appropriate;
- Provides public recognition for the funder that is consistent with the funder's expectations;
- Provides a detailed, reasonable and complete budget that clearly indicates what the funds will be used for, and other pending or approved funding or support already established (anticipated volunteer contributions, in kind donations, fees for service);
- Includes supporting documentation required by the funder (by-laws, incorporation documents, annual report, audited financial statement, Board of Directors listing);
- Includes other documentation you deem relevant to the submission (detailed job descriptions for staff or consultants to be hired, supplier quotations, drawings, lease agreements); and
- Provides a neat, well organized, and professional-looking submission.

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## The Proposal as a Resume

Think of your proposal as your organization's resume. Keep in mind that you're asking for money to do a job. Your proposal must convince a funder that there is a genuine community need and that your organization has the experience, expertise and tools to do that job.

Like a resume, a successful proposal is tailored to the stated funding interests and program guidelines of the funder. Some funders want to see a strong volunteer component in your organization or as part of your project. Other funders want to enhance their profile in the community, so you should provide attractive recognition in return for their support. Some granting agencies want regular updates from your organization on progress being made on your project, so incorporate that in your project work plan.

Use the funder's own words to strengthen your case. For example, a funder may state in the grant guidelines that they are looking for projects that promote independence and integration for disadvantaged Albertans. You could restate this objective in your project description or cover letter by incorporating a statement such as: "Like you, we believe in advancing independence for people with disabilities in order to promote fuller participation and integration in community life."

Try to answer the questions and provide information in the order it is requested in the grant guidelines. If the first question asks you to provide a brief overview of your organization, its mission and accomplishments, then that's the first issue to address. This makes adjudicating your proposal easier for the person or group charged with that responsibility.

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You may consider approaching a number of funders in connection with your project. Again, the resume example works here. A solid organizational overview, compelling project description and case for support and a persuasive cover letter, can be recycled for use in future proposals.

You may consider approaching a funder with a funding request for a project that falls outside their stated objectives and/or your organization does not meet the eligibility requirements in the strictest sense. However, your success will be greatly improved if you take the time to sell the funder on the project *before* you submit it. This means making a personal appeal to the funder (if permitted) in *advance* of preparing your submission and determining the approach that would be most beneficial for consideration to be granted. If you can make a compelling case beforehand and can interest the funder in your organization and the project, some funders will stretch their mandates to accommodate you.

**In summary:**

- Be thoroughly familiar with your organization, your project and your potential funder;
- Abide by the terms and conditions outlined in the funding guidelines and/or application; and
- Plan on exercising due diligence in carrying out your project, consistent with funding guidelines and any funding agreement you may receive.

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## START WITH RESEARCH



## Notes:



*If I knew what I was doing it wouldn't be called "research," now would it?*

*Albert Einstein*

You will improve your chances of success if you move from the components you know best to the components you know least. Begin by researching your project and pulling together information you will likely need to make a compelling case for support. Gather information about your organization and your project that you will need to refer to, or will likely have to incorporate in your submission. This can include:

- Your annual report (if any);
- Your audited financial statement or other financial accounting documents that your organization prepares and uses regularly;

**Note:** If your most recent financial statement shows a deficit, you will need to explain to the funder how your organization is addressing that shortfall. Likewise, if your most recent financial statement shows a significant surplus, or there are large sums of money in term deposits/reserve funds explain to the funder why you are not accessing these funds for your project. Reserve funds should be governed by a Board-approved Reserve Policy that explains the purpose of the funds, the amount to be retained, as well as the mechanism and reasons for dispersal of those funds.

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- Your approved operating budget and most recent month-end statement;
- A listing of the individuals who currently constitute your Board of Directors (names, addresses, contact numbers, position held in the organization, affiliations/occupation);

**NOTE:** Funders may ask you to provide information about your Board members' occupations to determine whether or not they have the skills and experience to undertake the project. If you are seeking funds for a large capital project, they will be looking to see if your Board members have backgrounds in areas such as construction, engineering, architecture, and finance.

- Your mission statement and/or vision statement;
- Incorporation documents, registered charitable number and society number, if applicable;
- Documents that detail your organization's history, major accomplishments, and programs and services;
- By-laws;
- Organizational chart and Strategic plan;
- A list of organizational goals and objectives;
- Newsletters, brochures; and
- Statistics (volunteer hours, program statistics, organizational statistics).

Based on your project, you may need to obtain quotes for purchases of goods or services, develop job descriptions for individuals who may be hired, and identify individuals willing to provide letters of support on behalf of your project.

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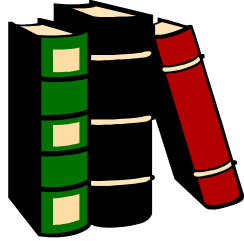
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## Research your project.



This can include library research, meetings with affiliated organizations, discussions with your client group, and discussions with your Board, volunteers and staff. Gather relevant statistics and consider all components of your project.

Internet research is a cost effective approach that can save you time. If you are developing a project that involves establishing a volunteer teen drama troupe in your community, for example, use the Internet to find out what other organizations have done and pay particular attention to the words and phrases used to explain and promote their project. If they obtained funding, note who funded the project and, if possible, what amount was received. Use a variety of key words and key word combinations in different search engines to gain a wealth of information.

The more information you have about your project, the better prepared you will be to develop a proposal that is meaningful to your organization, beneficial to your target audience and attractive to a funder.

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**Types of Projects**

Some projects are fairly straightforward, such as a capital purchase. Other projects can incorporate a number of components. Identify the type(s) of project(s) contained in your proposal. You may be seeking funds for:

**Capital:** to purchase equipment, renovate a building, purchase a building, purchase land, construct a building, buy a vehicle, etc.

**Endowment:** to establish or add to an existing fund that will provide for long-term sustainability of your organization. Funds are invested for perpetuity and only a portion of the interest generated each year is dispersed that year. No invasion of the principal is permitted.

**Operating:** to assist your organization in offsetting the costs of day-to-day expenses (utilities, staff, publications, staff training, etc.)

**Program/Project:** targeted to a specific project or service (program) usually within a specified time frame.

**Start-Up (Seed) Grant:** to assist a new organization or a new project in getting started.

**Pilot (Demonstration):** a new initiative that may eventually be incorporated into your overall programs and services.

**Technical Assistance Grant:** to improve organizational efficiency or advance the mission of your organization by purchasing computers, and computer programs, or accessing training programs, etc. Funds for planning strategic initiatives, developing business plans, and addressing a variety of governance and management issues can fall into this category.

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**The Project Description**

Develop a detailed project explanation that includes both a description of a community need and documentation that reaffirms the existence of that need (questionnaires, surveys, newspaper articles). Then develop a plan that addresses the need you have identified, including quantifiable goals and objectives to address the problem, reasonable timelines, resources on hand, resources needed, a detailed budget, a work plan (what is going to be done and in what order will it be undertaken), marketing and promotion, funder recognition and evaluation methodology.

You also need to address accountability issues (who’s overseeing the project and that person’s qualifications) as well as long-term sustainability issues (what will your organization do when the funding runs out). This requires your project description to be *mission-driven and action oriented*. Avoid generalities, motherhood statements and assertions you can’t prove or substantiate.

Your project description should include the problem and the need you have identified. This is often referred to as the problem statement or needs assessment. Your problem statement should include hard data (like statistics, surveys, descriptions of existing programs/services, client surveys, referrals, and program evaluations) as well as soft data, (including correspondence, feedback and communication with your clients, as well as anecdotes).

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Your project description should also include measurable goals and objectives.

**Goal:** A broad, all-encompassing focus of accomplishment obtained when specific objectives are achieved. Goals need to be mission-driven and relevant.

**Objective:** A measurable step toward achieving a goal. There are many types of objectives but they generally fall into four categories:

- 1. **Behavioral:** A change in human action or response is anticipated (i.e. children will read more).
- 2. **Performance:** A skill or level of proficiency will be achieved within a specific time period (i.e. reading levels will increase after one year).
- 3. **Product:** Something tangible results from the project (i.e. a manual for reading mentors will be developed).
- 4. **Process:** Something in the work plan itself has a value (a list of people willing to volunteer as reading mentors will be developed).

Goals tend to be broad while objectives tend to be much more specific. Goals can include statements like: “We will enhance the overall employability of people with disabilities in our community” or “we will encourage high school students to stay in school and graduate.”

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Objectives are more targeted, action oriented and results based, hence they need to be measurable: 24 workshops will be offered, 100 new volunteers will be recruited, a manual outlining at least 125 adapted arts and crafts projects for people with disabilities will be prepared. By providing this type of information, you are setting the standards by which *the overall success of your project will be judged*. They represent *minimum* targets that your organization believes to be achievable.

Goals and objectives should have **outcomes**. An outcome is a change that results from the provision of your program or service to your target audience. The outcome is *the change itself*. Goals are broad and express a *desire* for change. Objectives are action-based and outline what steps must be taken to facilitate that change. Outcomes are results and should be presented in quantifiable (measurable) terms stating *what* changed.

For example:

Our **goal** is to assist landed immigrants new to Canada to participate more fully in community life.

Our project **objective** is to offer 10 workshops to 100 immigrant job seekers living in the Edmonton area and to provide them with job readiness training and access to employment information.

One **outcome** is for 50% of program participants actively seeking work to obtain employment within one year of receiving the job-readiness training we provide.

In some situations, you may be asked to combine objectives and outcomes and develop “outcome objectives.”

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Once you have identified your goal(s), objective(s) and outcome(s), develop a list of project or program activities with a clear indication of who will carry out the work, what resources they will use and what timeframe will be adhered to. This is often referred to as the **project or program plan, work plan or methodology**. You must develop a detailed description of the work to be undertaken or list the specific steps that will be completed for your organization to achieve the outlined goals and objectives. Your project or work plan should include ongoing evaluation and data gathering so that you can substantiate the overall success of your project. What information will be tracked? How often will it be tracked? How will you analyze the data?

The best way to look at goals, objectives and outcomes is to view them as different degrees of change. Goals express a desire for change, objectives outline the means that will be used to facilitate that change and outcomes present, in measurable terms, the nature of the changes that occurred viewed within the context of the overall project.

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Your organization's larger administrative/overhead expenses. For example, 10% of your organization's utility costs may be a legitimate expense or you may be estimating that your organization's current volunteer coordinator will devote 5% of his or her time (and therefore salary) to your project.

**Income** generally falls into two categories:

**Earned income** can include fees for service such as admission charges, program fees as well as product sales, advertising revenue. It can also include any cash or in-kind contribution the organization is prepared to contribute to the project including the reallocation of existing staff.

**Donated income** includes the fair market value of donated labour, materials, equipment and office space. Donated income should also include any confirmed sources of grant funding and pending sources of funding for your project.

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**When developing your budget, keep in mind that it must:**

- Add up! One of the first things funders do is reach for their calculators;
- Agree with the project description;
- Be sufficient to achieve the project goals and objectives you have outlined;
- Avoid miscellaneous categories or vague expenses;
- Avoid contingency amounts, unless it is a capital project that needs to address rising costs as a result of the work being undertaken some months after quotes were initially obtained. In some cases, contingency amounts are not fundable under the terms of the grant guidelines;
- Present actual costs and not inflated costs; and
- Be consistent with estimates and quotations received.

Look at your project budget and identify what resources (if any) your organization can direct to the project. Then look at the components and costs that remain and identify what aspects of the project could form the basis of a funding request. Your project budget may be small and one funder may be able to provide sufficient funding. Larger projects may necessitate funding submissions to several funders. In that case, you need to identify individual components and their related costs. For example, you may have one component that involves developing a manual, one component that involves printing the manual and one component that involves marketing and promoting the manual. These can all form the basis of a request for funding consideration.

**Notes:**



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Proposal writers often wonder if they should overestimate project costs to ensure they receive the funding needed to carry out the work. The question is usually prompted by a concern that the funder will provide a portion of the amount being requested. You are advised to estimate costs fairly and reasonably and to ask only for what you need. Most funders can recognize when costs have been padded or are unusually high or unrealistic.

If you receive less funding than requested, you can respond a number of ways. If time permits, you can submit additional funding requests to other funders to make up for the shortfall. You can also modify your program or project, for example, take a year-long project and reduce it to nine months, print fewer brochures, go with a less costly process for printing.

Once you have gathered all background material, have a solid organizational description in place, a clear idea of the type of project you are seeking funding for, and a detailed project description incorporating genuine community needs, quantifiable goals and objectives, a detailed work plan and a budget, you are ready to search for and identify possible funders.

There are two ways of seeking grant funds. One way is to identify funders and then develop projects that meet their funding mandates. It is far better, not to mention more ethical, to look at the needs of your organization and the needs it wants to address and come up with a project that has genuine value and is worthy of being presented for funding consideration. In that way, you will ensure your efforts and your proposal represent the maximum return for your organization and your funder.

**Notes:**



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## FUNDER RESEARCH



### Notes:



Funders generally fall into four categories:

1. **Foundations** (Government, private/family, community and corporate)
2. **Government** (Municipal, Provincial, Federal)
3. **Corporations** (often under community investment programs)
4. **Service Clubs** (i.e., Lions, Kiwanis, Rotary, Elks, etc.)

It is beyond the scope of this document to provide information on every available source of funding; however, here are some suggestions to get you started.

**The Canadian Centre for Philanthropy** (CCP) ([www.ccp.ca](http://www.ccp.ca)) publishes a comprehensive resource entitled "The Canadian Directory to Foundations and Grants," which is available in hardcover or online through a subscription service. Many public libraries and municipalities maintain a copy of the hardcover version. The directory provides information on a wide range of foundations operating in Canada, their grant guidelines, past grantees and the amounts of funding awarded.

In addition, the Canadian Centre for Philanthropy produces a booklet entitled, "Planning for Partnership – What Charities Should Know About Foundations." The CCP also has information about "Imagine" corporations in Canada; that is, companies who have committed to donating a percentage of their after tax profits to community investment programs.

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The Canadian Centre for Philanthropy  
1329 Bay Street  
2<sup>nd</sup> Floor  
Toronto, Ontario M5R 2C4

Telephone: 416-515-0764

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**Charity Village ([www.charityvillage.com](http://www.charityvillage.com))** is a Canadian web site regarded by many as one of the finest nonprofit web sites in the world. They offer a free e-mail magazine called "Village Vibes," which is electronically issued once a week and provides valuable information of particular interest to nonprofit organizations in Canada. They also have an extensive online library.

**The Resource Centre for Voluntary Organizations (RCVO) ([www.rcvo.org](http://www.rcvo.org))** is located at Grant MacEwan College in Edmonton. They maintain an extensive library of books, articles and periodicals of interest to nonprofits and produce a free newsletter ("Connections") that will alert you to educational opportunities, job opportunities, seminars and workshops, funding trends and much more.

As a service to nonprofits, the RCVO offers nonprofit organizations access to "Prospects," an online searchable funder database. You must contact the RCVO ahead of time to reserve research time on this database.

The RCVO also produces an annual publication entitled, "Funding Sources for Edmonton's Nonprofit Sector," a current, and inexpensive resource guide for grant seekers. The publication contains valuable information on a broad range of funders in the Edmonton area, along with their funding guidelines and contact information.



The Resource Centre for Voluntary Organizations  
Grant MacEwan Community College  
5-132, 10700 104 Avenue  
Edmonton, Alberta T5J 4S2  
  
Telephone: 497-5616  
Toll Free in Alberta: 1-877-897-5616

**The University of Alberta Research Support Office** has a web site ([www.rso.ualberta.ca](http://www.rso.ualberta.ca)) with an alphabetical listing of funders. It's particularly good if your proposal is research oriented.

The funding and partnerships section of the **Alberta Community Development** website ([www.cd.gov.ab.ca](http://www.cd.gov.ab.ca)) has a list of Alberta government grant programs. Contact your local Alberta Community Development office for more information.

Two organizations devoted to advancing the profession of fundraising in Alberta are:

**The Alberta Association of Fund Raising Executives**  
#361, 9768 170 Street  
Edmonton, Alberta  
T5T 5L4

Telephone: (780) 908-4115  
Fax: (780) 484-5413  
e-mail: [AAFRE@shaw.ca](mailto:AAFRE@shaw.ca)  
web site: [www.aafre.org](http://www.aafre.org)

**Association of Fundraising Professionals**  
Edmonton and Area Chapter  
P.O. Box 23012 Summit Centre RPO  
St. Albert, Alberta T8N 6Z9

Telephone: 459-8682  
Fax: 459-1358  
e-mail: [info@afpedmonton.ca](mailto:info@afpedmonton.ca)  
web site: [www.afpnet.org](http://www.afpnet.org)

**Notes:**



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Some municipalities subscribe to a searchable online funder database as a service to nonprofits. There are a number of other searchable funder databases available on a subscription basis and your nonprofit may wish to consider subscribing, although they can be quite costly. Many for-profit companies offering these databases have *no direct contact* with the funders; the information they provide is obtained indirectly from the various government filings funders are required to make each year and/or documentation they must keep on file with regulators.

Surf the Internet! Many funders maintain web sites that allow you to access their funding guidelines, review their funding histories and download application forms. Most major corporations maintain a web site with a section devoted to their community investment programs. Take a good look around and identify what companies are active in your community and check out their web sites. Corporations in particular are interested in supporting nonprofit organizations operating in the communities where they have a presence. Most foundations have a web presence, as do provincial government departments.

**Note:** More funders are requesting that nonprofit organizations submit their funding requests online. The need to respond in a concise, knowledgeable and compelling manner is especially crucial when it comes to online requests. There is usually a provision in the online application process for you to provide additional information.

**Notes:**




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Your organization should have a strong web presence. You should also have access to the Internet and e-mail. These things are no longer frills and extras, they are absolutely necessary if you are to compete successfully for grant funds. In a recent survey, 60% of respondents in Alberta indicated they had access to the Internet. And in another survey, 70% of funders surveyed indicated that the decision to fund a nonprofit involved a visit to the nonprofit's web site. This is particularly true for funders requesting online applications.

If you need additional help with writing your proposal or online submission, there are a number of web sites you may find valuable:

- [www.grantproposal.com](http://www.grantproposal.com)
- [www.about.com](http://www.about.com)
- [www.proposalwriter.com](http://www.proposalwriter.com)
- [www.tgci.com](http://www.tgci.com)
- [www.fdncenter.org](http://www.fdncenter.org)

These sites can provide you with sample proposals, cover letters, budgets and sample RFPs.

**Notes:**



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## APPROACHING THE FUNDER



After following the previously outlined steps, you are now prepared to approach the funder. In some cases, you are *required* to contact a program officer directly in connection with your grant submission, or you may be strongly encouraged to do so. Check your guidelines and adhere to instructions they provide.

You should be armed with a good understanding of your organization, your project, your project budget and your funding needs and you should know what funders might be interested in your proposal. Obtain the grant application package from your funder.

**There is no substitute for obtaining the most current guidelines and application forms *directly* from the funder.** General publications providing information about funders and online searchable databases can become outdated *very quickly*.

Thoroughly review the information you have about your potential funder in the context of your proposal. Carefully review the grant application (if any), funding process, funding guidelines and funding history (if available). Note your questions or concerns.

### Notes:




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**LETTER OF INTENT**

Some funders may ask you to submit a Letter of Inquiry or Letter of Intent before you will be permitted to submit a full grant proposal. Corporations and foundations are increasingly moving towards Letters of Intent, as are some government departments.

Why? Funders are overwhelmed with funding requests from nonprofit organizations. In order to be more efficient, they ask nonprofits to submit a letter, usually no more than one or two pages, providing information about their organization, their project, and the nature of the funding request. In some cases, you may be asked to provide a brief cover letter and responses to a pre-established set of questions. The requirements for submitting a Letter of Intent are usually quite stringent and exact. Abide by these rules.

By reviewing Letters of Intent, funders can identify organizations and projects of interest to them, and decline full proposal submissions from others. Letters of Intent reduce the time and effort funders spend on the grant adjudication process. It is essentially a pre-qualification process. Letters of Intent also benefit nonprofits, because they prevent charities from wasting their time on submissions that have no chance of receiving funding.

Generally, the Letter of Intent process has two components:

- A brief cover letter (normally limited to one page) introduces your organization, your project and the nature and amount of your funding request; and
- Responses to a series of questions provided by the funder. Your response to these questions generally will not exceed two pages.

**Notes:**



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**The Four "Cs" of a Successful Letter of Intent**

**Notes:**



**Concise:** Adhere to the word counts and page limitations imposed by the funder.

**Compelling:** Incorporate statistics, comments and/or feedback provided by the people you serve to sell your project.

**Comprehensive:** Answer all questions and provide all information as requested.

**Creative:** Make your responses interesting and engaging, and stress unique aspects of your organization and your project.



Successful grantsmanship is an information gathering process. If your Letter of Intent was not successful, and if it is permitted, contact the funder and ask why your proposal was declined. You may be able to modify your proposal and resubmit successfully. If you have approached, or intend to approach, other funders in connection with your project, this type of feedback can be useful.

An example of a project description in connection with a successful Letter of Intent follows. The two-page project description was accompanied by a one page cover letter introducing the organization, the project and the case for support. The project description has been modified to represent a generic organization. The headings were provided in the Letter of Intent guidelines.

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## **Sample Project Description for a Letter of Intent**



### **PROJECT NAME:**

“Taking to the Roof Top: A Capital Re-Roofing Project on Behalf of People with Disabilities”

### **CONTACT:**

Name and Title of Person who Prepared the Submission  
Organization’s Name  
Organization’s Address

Telephone:

Fax:

Contact Person’s e-mail:

Organization’s Website address:

### **DESCRIPTION:**

This is a capital re-roofing project with an order of magnitude of \$300,000. The buildings requiring re-roofing are located on our 35 acre facility in Tofield and for the purposes of this project include: Classrooms 1&2, 3&4, 5&6, 7&8 as well as the Savard Building and the Wilson Medical Centre. The roofs are original to the buildings, many of which were constructed in the early to mid-1970s.

The roofs have been steadily deteriorating for the past few years. We are currently experiencing significant interior water damage to ceilings and load-bearing beams and walls whenever it rains or whenever the snow begins to melt off the roofs. We have been advised by several consultants that a failure to re-roof the buildings will result in serious structural damage fairly soon. Faced with the prospect of compromising the integrity of the buildings, and taking into account the rising cost of materials (anywhere from 10-12% annually), it is obvious that we can no longer afford to put off this \$300,000 project. Albertans have been investing in (organizational name) for over XX years and we are taking action because we believe we have an obligation to protect that investment.



If the roofs are not repaired and the integrity of the buildings is sufficiently compromised, some of these buildings may have to be closed off in the interests of health and safety. This would have a direct impact on the number of people with disabilities we are able to accommodate each year. 1,000 Albertans with disabilities, 70% of whom are persons with developmental disabilities, will be directly affected by any potential closures.

**FUNDING REQUEST:**

We are asking your consideration of a grant in the amount of \$50,000 to assist us with this substantial capital repair project.

**ORGANIZATION:**

Our organization has been providing educational programming to people with physical and mental disabilities since XXXX. We are a federally-registered charity incorporated under the Alberta Societies Act.

Each year over 1,000 Albertans with disabilities attend one of our week-long educational retreats, geared to various ages and types of disabilities. Our facilities are completely wheelchair accessible and include: list facilities.

We are recognized by the province as an Alberta's Promise Nonprofit agency. We are the only specialized educational facility of our kind in the province that does not discriminate on the basis of the type or degree of disability.

**TIMING:**

The project will commence and will be completed in 2006. Contractors estimate 4-6 weeks to complete the project. Our preferred start date is April 1, assuming funding is in place and there are no unexpected interruptions with respect to labour or materials. An early Fall start date would still see the project completed in 2006.

**FUNDING TYPE:** Capital

**FUNDING REGION:** Tofield

**TYPICAL COMPONENTS OF A GRANT PROPOSAL**



**Notes:**



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**The Cover Letter**

Your cover letter is important and you must garner interest in your project in these first few pages or you may lose your audience. Remember, people scan far more than they actually read. Use a bulleted format where possible throughout your proposal.

Your cover letter needs to be a condensed version of your proposal and generally no more than two pages. It should provide the reader with information including:

- The nature and history of your organization (including its mission, accomplishments and anything that makes your organization and its programs unique);
- The need for your program or project;
- The target audience;
- A brief project description focusing on benefits;
- The amount of money you are seeking from the funder and what the funds will be used for;
- An explanation to the funder about how this project advances the mission of your organization and the mission of the funder. Get them excited! Do not assume the funder will implicitly understand why they should fund your project - explain it to them;

- If you have a previous granting history with this funder, express your appreciation for funding previously received;
- If you have had conversations with the funder regarding the proposal, reference those discussions; and
- Incorporate statistics and compelling information from your clients, or from the research you have done.

Make your letter as personal as possible. Address the cover letter to the person responsible for the funding program. Check the spelling of the name and make sure you include the correct title. Remember, this is about relationship building. It is difficult to form a relationship with "Dear Sir or Madam."

An example of a compelling, successful cover letter follows. It has been modified to represent a generic nonprofit and funder. Pay particular attention to how this letter weaves statistics and information with a strong emotional impact to make a strong case for support.

Your project or program is much more likely to be funded if you make a compelling, mission-based case for support. A re-siding project is not a particularly attractive project. But stressing how the funder will be joining a long line of prestigious investors in the facility takes the project to a different level.

Many funders are interested in seeing their support leveraged to acquire additional support from other funders. If you intend on using one funder's support as matching funds in a proposal to another funder, you need to mention this. This translates as added value and can substantially increase your chances of a successful grant application.

The actual proposal submitted to this particular funder contained a detailed listing of capital projects and funders going back several decades.

**Notes:**



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DATE

Funder's Name  
Funder's Title  
Name of Foundation  
Mailing Address

Dear Mr. Smith:

**RE: Organization's Name – Capital Re-Siding Project**

Thank you for your recent letter inviting our organization to submit a grant proposal for funding consideration. As discussed, we are asking for the support of the Foundation in the amount of \$10,000 to assist us with the cost of a \$300,000 capital re-siding project. As I mentioned to you earlier this week, last Fall marked the completion of a \$300,000 capital re-roofing project and this re-siding project represents the next stage in our three-year facility enhancement strategic plan.

Our organization has been providing educational programming to children and adults with physical and mental disabilities since 1970. This year *a record 900 people with disabilities* attended one of our week-long educational retreats designed to meet their special needs and interests. Our organization is *Alberta's first summer educational facility* dedicated to people with disabilities and the only facility of its kind in the province that *does not discriminate* on the basis of the type or degree of disability. As a result we welcome individuals with multiple disabilities and those deemed medically fragile, many of whom would be denied a summer educational experience at other facilities. Our participants come from all over Alberta, and almost half call Edmonton and area "home."

Our organization takes pride in undertaking projects that are cost effective and that maximize the financial contributions of our funders. Your donation, for example, *would be matched by a Community Facility Enhancement Program Grant* - and that translates into a *\$20,000* contribution towards this project!

Our facility provides a **safe** and supportive environment for people with disabilities so that they have access to summer educational opportunities on par with the able-bodied community. It is important to note that people with disabilities represent one of the most vulnerable segments of our society, in need of our protection and our encouragement in order to participate more fully in community life. Our organization, through its facilities and programs, provides educational opportunities that respect the autonomy of the disabled, accommodate special needs, and address the physical, emotional, mental and spiritual aspects of each participant. To underscore the need for a facility like ours, consider the following news story:

In this box you would provide :

- name of the article
- name of the newspaper
- area (Edmonton, Red Deer, etc)
- Complete text of article

We absolutely *must* provide a safe environment for children and adults with physical and mental disabilities! They have a *right* to participate in educational programs in a secure and compassionate environment. With your help, our program participants can continue to have access to a high calibre educational facility with a 30 year history of advancing the cause of independence and integration for people with disabilities. Your contribution will allow us to invest in upgrades to the exterior of our wheelchair accessible classrooms and buildings. And this will allow us to direct funds from expensive routine maintenance tasks like yearly staining and sanding to other projects, like our proposed computer center.

If we are successful in our grant application to your Foundation, we would be pleased to recognize your contribution on our disability-friendly website, in our next full-colour newsletter to donors and supporters (circulation 15,000), via a cheque presentation and as part of a formal project dedication to take place at our October 1, 2005 Open House (the attendance at last year's Open House was a record 360 individuals!)

On behalf of XXX Nonprofit, thank you for taking this application under consideration. I hope we may have an opportunity to work together to advance the cause of people with disabilities.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Name  
Title  
Encs.

**\* You could also attach a copy of the article to the end of the letter \***

**Current Application Form and Program Guidelines**

**Notes:**



Obtain an application form and program guidelines directly from the funder and consult their web site to give you a better understanding of what is required. Note any special requirements:

- Letters of Support
- Deadlines
- Number of copies required
- Quotations and how many are required
- Signatories required
- Financial documentation needed
- Mailed, faxed or e-mailed submission acceptable
- Bound or unbound
- Contact information for your organization

In connection with contact information, make sure the people you have listed are knowledgeable about your project and available to be contacted. You may want to prepare a short one-page summary of the project so they speak knowledgeably if called upon by the funder. Provide as many options for contacting people in your organization as possible including e-mail, fax, phone and cell.

In connection with letters of support, make sure the individuals who are providing them are knowledgeable about your project as well. Explain the project to them and give them an information sheet to assist them in drafting a letter for you. They can send the letter of support directly to the funder or provide you with a letter to include in your package. Your referees can also be encouraged to visit your web site or you may wish to include your current newsletter or brochure. Let your funder know if letters of support on behalf of your project are being sent under separate cover.

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**Summary/Executive Summary**

It is a good idea to provide a brief (one or two paragraph) summary of your project to assist your funder in understanding the nature of your submission.

**History of the Organization**

Explain to the funder the mission and mandate of your organization, the services and programs it provides, the target audience it serves, relevant program or project statistics and past accomplishments. Organizational history represents an important part of your organization's resume and outlines its qualifications to undertake the work. The funder should feel confident that you are the right organization to do the job and that you have the ability, experience and resources to complete the project satisfactorily. Your funder will also be interested in any linkages or partnerships you have with other organizations. Stress the aspects of your organization that make it unique.

Organizations with histories that go back twenty, thirty, forty years or more may not be able to provide funders with a detailed list of projects that were completed, much less who funded these projects. Increased competition for grant funds has resulted in some funders changing their guidelines in this regard. Some funders have stated that they will only review proposals submitted by nonprofits that they have funded in the past. If you do not have a list of projects and accomplishments for your organization since its inception (and who funded them), you may want to document this while you are still able to access records and talk to past volunteers and staff.

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**Project Description**

You have developed an initial project description that identifies a problem, need or situation in your community and that incorporates data to document that need. As part of your project description, you have also developed a strategy to effectively address that need, and one that includes quantifiable goals and objectives. Based on your research and the conversations you have had with the funder, you will need to make sure your project description clearly demonstrates how the project advances the mission and mandate of your organization and that of the funder. Make the case for support!

**Project/Program Plan/Work Plan**

A logical order of program activities with reasonable timelines can be incorporated in your overall project description or may be a separate portion of your proposal submission. Look to your grant guidelines for preference. If the program plan does not form a separate component in the guidelines, you should be able to incorporate the plan as part of the overall project description. A bulleted presentation may be advantageous.

**Evaluation**

When you develop your project description, you should consider project evaluation in light of the grant program guidelines. The degree to which you will evaluate your program and incorporate its overall success and impact will vary from funder to funder.

**Notes:**



A series of horizontal lines provided for taking notes, starting below the 'Notes:' header and extending down the right side of the page.



Although some funders do not require an evaluation at all, others have significant performance measurement standards. Performance measurement information may be required by your funder to demonstrate how your project achieved the goals and objectives that you have previously outlined. In your proposal, be clear on the short-term and long-term benefits of your project, what information will be recorded and tracked, and what methods will be used to measure and assess each outcome.

**Outcomes** indicate the benefits or changes that occurred as a result of your project. These can include changes in behaviours, skill levels, attitudes, values or conditions.

**Measures** indicate what information will be collected and analyzed. This information can include quantitative information (numbers, percentages) or qualitative information (oral or written information obtained from participants or partners.)

**Evaluation methods** show how you will measure each outcome. This can include surveys or questionnaires, analysis of statistics, observations, or information provided by organizations impacted by your project.

You may be asked to submit a detailed evaluation plan. Generally, an evaluation plan will indicate:

- How you will measure the success of your project (did you achieve your goals and objectives?);
- Who will participate in the evaluation process;
- The nature of the evaluation criteria;
- How the data will be gathered, documented and analyzed; and
- Reporting methods to be used.

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At the conclusion of your project, your evaluation report should include:

- Whether the project or program achieved the goals and objectives as initially set out;
- Any modifications to the program in response to ongoing evaluation;
- Any program changes or improvements resulting from the evaluation process; and
- Any unexpected problems you encountered or any unexpected benefits resulting from your program.

Funders share your organization’s interest in outcome findings. Outcome measurements can assist your organization to identify needs, improve programs, develop long-range plans, develop realistic and responsive budgets, validate expenses, enhance your organization’s reputation, identify new partners and supporters, maintain and increase levels of funding, and provide direction for both your Board and your staff. Outcomes measures can assure a funder they received real value for their financial support. Effectiveness and communication value are at the heart of evaluation.

Your funder will be particularly interested in any unforeseen problems you encountered and your response to those problems. Be prepared to document them during the course of your project. Likewise, unexpected benefits (new partnerships or cost saving initiatives) have a value to your funder as well. Other nonprofits considering a similar project or program can learn from your experiences, if they are well documented.

**Notes:**



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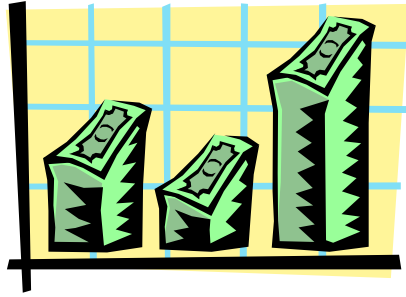
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**Project Budget**



With your initial project budget in place, and based on your discussion with the funder and your research, you should ensure your project budget reflects an appropriate level of anticipated funding from this particular funder, and identifies an appropriate project expense based on the funding guidelines. Your funder needs to know how much money you are asking for and specific project costs. This is crucial when you are approaching multiple funders. You do not want your funder to be concerned that they are funding something already being supported by someone else.

All anticipated and confirmed sources of income need to be included in your budget so your funder has a good idea of what other funders have committed to the project and what funding requests are pending.

If, during the grant adjudication process, you receive confirmation of grant funds from another funder, notify those funders who have not yet made a decision on your request (if it is permitted). This can leverage support for your organization on the part of a funder who has not yet committed.

Increasingly, funders are declining to commit funds until all other funding is in place. This is particularly true for large capital projects, where problems in obtaining sufficient funds can lead to costly delays or cancellation of the project altogether. In some cases, these funders are requesting copies of letters from all other confirmed funders reaffirming their level of support before they will approve your request .

**Notes:**



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Some funders require that you submit your budget on a form or ask you to follow a set format. Others will accept a project budget in your own format. Regardless, a project budget must include all sources of income and all anticipated expenses.

**Notes:**



A sample budget follows.

**Generic Sample Project Budget Submitted to a Provincial Government Funder for an Arts and Crafts Program for People with Disabilities**

**INCOME**

<b>Community Initiatives Program: (this request)</b>	<b>\$10,000</b>
XYZ Foundation (approved)	\$ 8,000
Rotary Club (pending - likely)	\$ 2,500
Program Assistant	\$ 6,000 (in kind provided by applicant)
Donated Art Supplies	\$ 1,000
<b>Total:</b>	<b>\$27,500</b>

**EXPENSES**

Program Coordinator (this request)	\$10,000
Arts and Crafts Supplies	\$ 3,500
Program Assistant	\$ 6,000
Arts and Crafts Manual Development	\$ 8,000
<b>Total:</b>	<b>\$27,500</b>

Note: We are asking for the support of the Community Initiatives Program in the amount of \$10,000 to cover the costs of hiring a Program Coordinator on a four-month contract basis.

**NOTE TO THE READER OF THIS MANUAL:**

**For this particular proposal you would also provide:**

- A detailed job description for the Program Coordinator which should include an explanation of the duties and responsibilities of the Program Assistant
- A listing of arts and crafts purchases and related quotations/anticipated donations
- A breakdown of the Arts and Manual costs, which could be presented as a separate page or which could be an itemized subset of the Arts and Crafts Manual costs noted above.

Use a spreadsheet program like Excel if you have access to one.

**Sustainability**

Sustainability issues are particularly important in connection with programs and projects. Capital construction projects have sustainability issues as, the funder will want to be confident you can operate and maintain the building or facility once it has been completed. Your funder will be interested in both the short-term and long-term benefits outlined in your proposal.

Most funders will not consider multi-year funding requests. As a result, they have a keen interest in what your organization intends to do when the funding has been exhausted. If your initial program or project will continue beyond the funding period, how do you intend to continue this program in the long run? This is a question that needs to be addressed by your Board. Your project or program needs to be part of the overall vision of your organization.

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There are many possible ways of continuing your project or program in the future. These can include:

- Program fees and charges;
- Sale of goods and services;
- Partnerships and collaborations;
- Future funding submissions to other funders; and
- A switch to volunteer-driven, as opposed to staff-driven, programs.

You need to convince your funder that sustainability issues have been considered and that reasonable solutions are in place, or are being considered, to ensure the project benefits continue in the future. Being able to frame your project within the overall vision, mission and strategic plan of your organization is key.

### **Funder Recognition and Publicity**

Some funders do not wish to be publicly recognized and prefer that your efforts and money be spent on your project and your clients. They regard plaques, awards and cheque presentations as wasteful. Respect their wishes in this regard.

Other funders, particularly corporate funders, want to be recognized for their community support. Suitable forms of recognition can include:

- Formal cheque presentations with media coverage;
- Commemorative plaques;
- Publicity in your newsletters and/or on your web site;
- Newspaper articles;
- Key placement of their logo on program publicity; and
- Invitations to special events and functions.

### **Notes:**



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Your proposal needs to address funder recognition requirements. You also need to ensure you follow through with any funder recognition opportunities you have promised. Keep copies of newspaper articles, newsletters and photos that you can submit along with your final report when you reconcile your project.

### **Reconciliation**

Most funders require a statement of project income and expense. Some require that members of your Board give final approval on this statement. Other funders require copies of all receipts, while others may ask you to submit original receipts, rather than copies. Sometimes a funder will ask for a statement of project income and expense only, but retains the right to ask for receipts or to inspect your accounting records on demand. Keep accurate, complete and organized records.

Your reconciliation should include a personal letter, preferably from your CEO or Board President, expressing sincere appreciation for the funding received and restating the project benefits to the community.

Your reconciliation may also include an evaluation report, copies of program publicity, letters from program participants, photos of your program or project in action.

Ensure your reconciliation is submitted in a timely manner in accordance with the grant guidelines, including any deadlines that may apply. You want your funder's experience with your organization to be positive from start to finish. Do not get into a position where reminder letters or phone calls from the funder are required in order for you to comply with the guidelines. If you need an extension, ask for it as soon as possible. Do not wait until the deadlines pass.

If you did not expend all of the money provided by your funder, consult the grant guidelines and contact a program officer for advice.

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## Valuable Tips for Grant Seekers

- Allow enough time so others can critique your grant proposal and provide feedback. Modify your proposal as required.
- One person should have the responsibility of writing the proposal, to ensure consistency and continuity.
- Avoid abbreviations unless you have provided the reader with an explanation of what the abbreviation stands for.
- Because of the number of proposals received by funders, your proposal should be typed. In some cases, only typed proposals will be accepted.
- Focus on challenges and opportunities, not insurmountable problems and circumstances.
- Submit a complete application and avoid sending information “under separate cover,” with the exception of letters of support.
- If you are not able to provide something the funder has requested, explain why you are not able to submit it.
- Include appropriate and relevant supporting documentation only.
- Send receipts, contract agreements and funding agreements promptly.
- Ensure your proposal is in the hands of the funder on the due date. If the deadline is March 15 and it falls on a Sunday, your proposal needs to be their hands on Friday, March 13. Try to avoid the last minute dash to the funder’s office. Funders often cite missed deadlines as a major reason for declining a grant request.

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- Advise your funder immediately of any significant change in your program or project. The reconciliation stage of your project is not the time to tell your funder that they are not getting what they paid for.
- If you receive funding, consider asking a Board member to phone the funder to express your organization's appreciation (if it is permitted). This does wonders for relationship building.
- You can never say "thank you" too often to funders. Keep up the contact!
- If you did not receive funding, and it is permitted, follow up with the funder to determine why they declined to fund your project. Based on the information you receive, you may wish to resubmit.
- If a funder has declined to fund your project, ask for suggestions as to other funders you could approach. Funders have an extensive knowledge of what other funders are doing.
- Invite your funder to your next open house or special event. The more involved your funder is, the more likely you will be able to obtain funding in the future.
- Proofread your work thoroughly, use spell check and consult a thesaurus to avoid repetitious words. Choose words that are benefit-oriented and action-oriented.
- Follow suggested proposal formats. This is particularly crucial for individuals responding to a Request for Proposal.

**Notes:**




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## Grant Proposal Checklist

Your funder may provide you with a grant application checklist. In some cases, you may have to sign this checklist and submit it along with your grant proposal. Always abide by the grant guidelines. Here are some things to consider as you finalize your proposal, assuming they are applicable to your project and acceptable under the terms of the grant program:

### Have you, as the proposal writer:

- Obtained a current grant application and related guidelines?
- Spoken to or contacted the designated program officer in connection with your proposed grant submission?
- Verified that you are an eligible organization under the program guidelines submitting a suitable proposal to an appropriate funder?
- Conducted the necessary project research to develop a complete, thorough and compelling proposal?
- Provided all documentation in accordance with the grant guidelines?
- Presented information in a logical and understandable manner?
- Clearly stated feasible goals, objectives and outcomes that respond to a genuine community need and are specific enough to be measured?
- Developed an evaluation plan to document project outcomes?
- Placed your project within the overall context of your organization’s mission?

### Notes:



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- ❑ Presented your organization’s history and mission to demonstrate its overall qualifications and capacity to carry out the work?
- ❑ Provided a compelling cover letter that presents a clear overview of your organization and your project?
- ❑ Provided relevant background material in accordance with the guidelines?
- ❑ Tied the project objectives to the priorities and objectives of the funder?
- ❑ Provided plans to promote and publicize the project and the funder?
- ❑ Provided a detailed work plan that addresses issues of accountability, project activities, project timetable, partnerships and linkages in a logical and efficient manner to achieve the project’s stated goals and objectives?
- ❑ Included job descriptions and statements of qualifications for staff if appropriate?
- ❑ Prepared a project budget that identifies the costs to be paid for by the funder?
- ❑ Provided a project budget that accounts for all expenditures contained in the project description?
- ❑ Included appropriate information on cost-sharing and matching fund requirements?
- ❑ Demonstrated knowledge of similar programs, projects and services being offered?
- ❑ Stressed the uniqueness of your organization and your project?
- ❑ Submitted a project budget that makes sense, adds up and fairly presents costs?

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- ❑ Addressed deficits and surpluses in your organization’s audited financial statement, as well as monies held in reserve funds?
- ❑ Discussed and addressed project sustainability issues?
- ❑ Provided relevant quotations, letters of support, questionnaires, surveys, etc.?

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**A QUICK GLOSSARY OF COMMON GRANT TERMS**

**Notes:**



Your funder may have a slightly different definition of funding terms than listed below. Always defer to that definition.

**Application:** A formal document submitted by a nonprofit agency seeking funding.

**Appendices/attachments/background information:** Information that your funder has asked you to include as part of your proposal submission.

**Audited financial statement:** A review of an agency's accounting documents by an independent, outside expert, normally undertaken after the organization's fiscal (financial) year-end.

**Beneficiary:** The target population or audience of a specified program or service providing the underlying reason for a grant submission. In some cases, funders refer to grant recipients as the beneficiaries of grant funds.

**Capital grant/bricks and mortar:** Funds are to be used to purchase land, to purchase, construct or renovate an existing facility, or to make a major equipment purchase.

**Case statement:** An all-encompassing document that tells the reader about your organization's past, present and future including mission, vision, history, past accomplishments, programs and services, etc. It is a document prepared to assist a fundraiser to make a case for support.

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**Challenge grant/matching grant:** A grant where funding is dependent on the nonprofit organization accessing additional funds from other sources, above and beyond what the granting agency is prepared to provide. The term “leverage grant” is also used occasionally. Regardless of the term chosen, the objective is to encourage nonprofits to engage other funders in the project.

**Community foundation:** A community or region-specific organization that provides funding for charitable purposes. It actively seeks donors to contribute to its endowment. Funds are invested and a portion of the income from the endowment is distributed in the form of grants to charitable organizations.

**Corporate foundation:** A private foundation whose funds originate from the for-profit activities of the business.

**Corporate giving program (community investment program):** A grant-making program offered by a for-profit organization to support charitable organizations, often in communities where the company has a presence. These programs are dependent on the finances of the company. They are also tied to corporate year-ends and many companies are reluctant or unable to distribute funds to nonprofits when their fiscal year end is approaching.

**Donated products:** Goods, products, equipment and other kinds of property donated to an organization that becomes its property for its use. This can include things like food, computer equipment, vehicles, office supplies, furnishings, etc. These donations represent in-kind support and should be calculated at fair market value. In some cases, one or more appraisals may be required if a charitable donation receipt is to be issued.

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**Drawdown:** A method by which a successful nonprofit receives or requests payment from the funder. For example, payment may be made in one lump sum, quarterly payments or on project completion. This can also include how the payment is made including electronic fund transfer, cheque via mail, formal cheque presentation, etc.

**Emergency assistance grant:** Funds are provided, usually on a one-time basis, to address an unexpected, extraordinary or short-term financial need.

**Endowment:** A pool of money that generates investment income for an agency. The principle remains in tact and only a portion of the investment income is accessed, ensuring the principle continues to grow.

**Family foundation:** A private foundation whose funds originate from members of a single family. Family members are usually active in the foundation, serving on the Board and adjudicating grants.

**Formula grant:** A grant where the maximum eligible amount is normally based on the previous year's eligible program expenses (as determined by the funder).

**Foundation:** An organization permitted by Canada Revenue Agency to accumulate, invest and hold assets tax-free, provided they make charitable grants or contributions each year based on a pre-established dispersal formula.

**General support:** Funds provided to a nonprofit agency without restrictions as to how those funds are to be used.

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**Goals and objectives:** Goals and objectives represent two different levels of change, outcome or impact that will occur as a result of your program or project. Goals outline the broad purpose served by your program or service. Objectives are target indicators or success indicators that are specific, quantifiable, have time constraints and are necessary to accomplish an overall purpose.

**Grant:** A sum of money provided to support the work of an agency, organization or individual that involves formal decision making on the part of the grantor based on the applicant's written or oral presentation and subsequent review.

**Grantor:** A funder. Occasionally referred to as the "donor."

**Grantee:** The recipient of grant monies. Occasionally referred to as the "donee."

**Grant agreement:** A contract entered into by a nonprofit organization and a funder. This agreement outlines the regulations that govern the use of funds, and commits the nonprofit organization to carry out the work within a given time frame for a specified sum of money. This can also include stipulations on the use of the funder's logo.

**Grassroots:** Organizations or programs operating at a local level and often dependent on community support and local fundraising initiatives such as bingos, raffles and special events.

**Guidelines:** Procedures outlined by the funder that grant seekers are expected to follow when submitting a grant proposal or other request for assistance.

**In-kind support:** Non-cash contributions to the project that have a value. This type of support can include equipment, volunteer time, donated office space, staff time, donated services, etc.

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**Letter of Intent/Letter of Inquiry:** A brief letter to a potential funder requesting permission to submit a full grant proposal for funding consideration and making a case for support. The letter is often accompanied by a brief response to a series of questions provided by the funder.

**Matching grant:** See challenge grant.  
**Note:** Check your grant guidelines to determine what kind of matching contribution is required or acceptable. Some grants will accept volunteer time and in-kind donations as a match. Provincial government funding programs in Alberta typically will not fund more than 50% in total of the eligible costs of a project or program.

**Mission (Mission Statement):** A statement that clearly indicates why your organization exists. For example, XYZ Society provides adapted educational programming to children and adults living with physical and mental disabilities.

**Multi-year funding:** Grant funds that are provided with the expectation that they will be expended over the course of more than one year. This can also refer to a nonprofit’s opportunity (or lack of opportunity) to approach the same funder for additional monies in subsequent years.

**Nonprofit/not-for-profit:** Although these two terms are often used interchangeably, they have different meanings. Nonprofit means that the organization has been accorded “nonprofit status” as a charitable, tax-exempt organization by Canada Revenue Agency. Not-for-Profit describes incorporated and unincorporated organizations that operate without federal tax-exempt status.

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**Outcome measurement:** The regular, systematic tracking of information designed to determine the extent to which program participants have benefited or have experienced the changes intended by the program.

**Operating expense:** An organization’s administrative or internal expenses, other than the expenses incurred providing specific charitable programs and services.

**Program income:** Revenue generated as a result of the project. This can include fees, interest earned, product sales, etc.

**Proposal:** A written application that, along with supporting documentation, is submitted by a nonprofit to a potential funder for funding consideration.

**Program officer:** A staff member who reviews grant proposals and processes applications for consideration by a committee or board.

**Public charity:** A nonprofit organization that qualifies for tax-exempt status by the Canada Revenue Agency (CRA).

**Request for Proposal (RFP):** A formal announcement by a public or private granting agency (grantmaker) seeking funding proposals from qualified organizations or individuals to provide a specific service, program or product for a specified purpose on behalf of the grantmaker. The Request for Proposal contains detailed information including kinds of products, services or programs being sought, what information must be contained in the proposal, deadlines and an indication of the method of proposal review and evaluation that will be used by the grantmaker.

**Seed/start up grant:** Funds are provided to assist a new agency or project with some of its initial expenses.

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**Tax-exempt status:** Organizations receive preferential consideration from Canada Customs and Revenue Agency (CRA) in connection with taxes. These organizations are able to produce charitable donation receipts and must issue them in accordance with guidelines established by the Canada Customs and Revenue Agency. Individuals and grant making organizations that make donations to such organizations may deduct a portion of these contributions from their income taxes.

**Technical assistance grant:** Funds provided to assist a nonprofit organization with operational or management issues, including strategic planning, marketing and promotion, Board and staff development, hiring an outside consultant, legal advice, financial planning, and the purchase of equipment or computer programs.

**Vision (Vision Statement):** A broad, future-oriented statement that describes the position or reputation your organization will achieve in the long-term. For example: "We will be regarded as the undisputed leader in Canada in providing adapted educational programs to the disabled."

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