

# Don't Leave Grant Approvals to Chance

Like other professions, development has its own rules and best practices created throughout the years. As true today as when he said it more than 40 years ago, according to fundraising guru Harold Seymour, "Good laws and principles of organized fundraising are a priceless gift of the long years...ignored or trifled with at your peril."

Remarkably, the same people who wouldn't attempt to fix a car without training in mechanics, or fly an airplane without a pilot's license, assume that they know how to raise money.

Unfortunately, many agencies and boards incorrectly think that finding grant money is a panacea - the solution to all their funding needs and fiscal woes. Don't make the mistake of believing that obtaining grants is a substitute for a well-thought out strategic plan and development plan.

Before you begin to write, it is vital to be sure that your organization:

- Has incorporated as a non-profit organization, and has applied for and been granted 501 (c) (3) status by the Internal Revenue Service. If it does not yet have such status, it will need to find a fiscal sponsor who does. Normally, the fiscal sponsor will retain a small fee or percentage of the funds received (about 5 percent is typical) for administration and oversight of your grant;

- Is financially stable, with a well-thought-out mission, goals and a good plan to implement those goals. Does it have, or is it prepared to hire, staff with the credentials and experience necessary to carry out its work? In addition, the organization and its work must fill a community need, and it should have active support from many community members.

If yours is a brand new non-profit, then it will have to show that it has some initial capital, or at least, a development plan to raise money. Some NPOs accomplish this by having members of the board of directors loan some start-up funds to get the organization off the ground. Others seek outright donations of seed money;

- Puts its fiscal house in order. This means making sure that the books are up-to-date, the latest 990 IRS return is filed and that it



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has met any state requirements for filing, such as that required by the state's Attorney General's office.

If the agency has revenues greater than \$25,000 annually and has not had an audit for the last fiscal year within 90 days of the books closing, that is a warning sign about its fiscal management capacity. The organization also needs to have a solid financial manager or team in place;

- Budgets enough time to do a thorough job. How long does it take to write a good proposal? While it can vary greatly depending on the nature and complexity of the project, the experience of the writer and the specific requirements of the funder, a good rule-of-thumb for the new grant proposal writer is to allow at least 80 hours to prepare a simple proposal for a corporation or foundation.

Double that figure for more complicated projects or for government proposals. Halve that time if you are experienced. Allow ample time for the finished proposal to be proofread and produced. If your proposal will require letters of support, detailed financial information or other supporting documents, which may not be at your fingertips, you may need an extra week or more. Plan ahead;

- Gains support, or at least cooperation, from all involved. This means that every member of the board of directors has made his or her own financial gift in addition to whatever volunteer time he or she may be giving. The rationale for this is simple: If those closest and most committed to the goals of the organization are not supporting it, why should anyone else?

- Has developed a well-thought-out strategic plan for fundraising, so that expected revenues from grants will meet about 10 percent of the organization's needed income. The one exception to this rule is if it is a start-up organization. Grants may play a much larger percentage of the budget initially, as the

new organization starts to build a donor base of individuals. Remember, "development," by definition, takes time.

Collaboration - that is, two or more organizations working together on the same project - is increasingly popular in the world of grant funding. Funders recognize that drawing on the strength, talent, expertise and resources of more than one organization can be a recipe for success. Of course, there also can be pitfalls. As you develop your project, here are some relevant factors to consider as you make the decision.

- Identify the need.
- What is necessary to address that need?
- If you don't have all the tools, skills, personnel and resources - who does?
- Can you hire someone, contract for or obtain the needed resources?
- Should you choose to work with a similar or complementary organization?
- Who should your partner be?

Collaborations often form for a short-term, time-limited project but could develop into a longer-term relationship. Discuss expectations at start - what does each party want? One partner might want to raise money, another to get new members, publicity or sponsor a fun activity for members. If everyone wants the event to look different, people will disagree about whether it was a success. Also, discuss the following.

- Who will do exactly what work?
- How much they will be paid?
- Who is in charge of keeping things moving along?
- How will the credit be shared?
- Who does the publicity?
- What are the deliverables?
- When are they due?
- How will success be measured? Will the organization continue to collaborate or this is a one-time effort?

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