

## WRITING A SUCCESSFUL PROPOSAL

### Summary

At the beginning of your proposal, or on a cover sheet, write a two- or three-sentence summary of the proposal. This summary helps the reader follow your argument in the proposal itself. For example:

"Annunciation Shelter requests \$5,000 for a two-year, \$50,000 job training program for homeless women in southwestern Minnesota. Training will be offered at four rural shelters and will include basic clerical skills, interview techniques and job seeker support groups."

### Organization Information

In two or three paragraphs, tell the funder about your organization and why it can be trusted to use funds effectively. Briefly summarize your organization's history. State your mission, whom you serve and your track record of achievement. Clearly describe, or at least list, your programs. If your programs are many or complex, consider adding an organization chart or other attachments that explain them. Describe your budget size, where you are located and who runs the organization and does the work. Add other details that build the credibility of your group. If other groups in your region work on the same issues, explain how they are different and how you collaborate with them, if you do.

Even if you have received funds from this grantmaker before, your introduction should be complete. Funders sometimes hire outside reviewers who may not be familiar with your organization.

### Problem/Need/Situation Description

This is where you convince the funder that the issue you want to tackle is important and show that your organization is an expert on the issue. Here are some tips:

- Don't assume the funder knows much about your subject area. Most grantmaking staff people are generalists. They will probably know *something* about topics like Shakespeare, water pollution and HIV/AIDS, but you should not assume that they are familiar with "Troilus and Cressida," taconite disposal methods or Kaposi's sarcoma. If your topic is complex, you might add an informative article or suggest some background reading.
- Why is this situation important? To whom did your organization talk, or what research did you do, to learn about the issue and decide how to tackle it?
- Describe the situation in both factual *and* human interest terms, if possible. Providing good data demonstrates that your organization is expert in the field. If there are no good data on your issue, consider doing your own research study,

even if it is simple.

- Describe your issue in as local a context as possible. If you want to educate people in your county about HIV/AIDS, tell the funder about the epidemic in your county — not in the United States as a whole.
- Describe a problem that is about the same size as your solution. Don't draw a dark picture of nuclear war, teen suicide and lethal air pollution if you are planning a modest neighborhood arts program for children.
- Don't describe the problem as the absence of your project. "We don't have enough beds in our battered women's shelter" is not the problem. The *problem* is increased levels of domestic violence. More shelter beds is a *solution*.

### Work Plan/Specific Activities

Explain what your organization plans to do about the problem. What are your overall goals? You might say:

"The goals of this project are to increase the understanding among Minneapolis middle school students about the impact of smoking on their health, and to reduce the number of students who smoke."

Then go on to give details, including:

- **Who is the target audience, and how will you involve them in the activity? How many people do you intend to serve?** Some projects have two audiences: the *direct participants* (the musicians in the community band, the kids doing summer clean-up in the parks) and the *indirect beneficiaries* (the music lovers in the audience, the people who use the parks). If so, describe both. How will you ensure that people actually participate in the program?
- **What are you going to do?** Describe the activities. Tell the funder about the project's "output," or how many "units of service" you intend to deliver over a specific time period: how many hours of nutrition counseling to how many pregnant women; how many HIV/AIDS hot-line calls answered by how many volunteers. Be sure you don't promise an unrealistic level of service.
- **What project planning has already taken place?** If you have already done research, secured the commitment of participants or done other initial work, describe it so the funder can see that you are well-prepared.
- **Who is going to do the work and what are their credentials?** (Attach resumes of key people.) Some funders ask for the name of a *project director*, the person most responsible for the project, whether volunteer or paid. Demonstrate that the

staff or volunteers have the expertise to do a good job.

- **When will the project take place?** Some funders ask for the *project start date* and *project end date*. In general, a project can be said to start when you start spending money on it. If the project is long, consider including a timeline.
- **Where will the project take place?**

You may not know the answers to all these questions when you submit your proposal. But the more you know, the better the proposal will look. Apply the "mind's eye test" to your description. After reading it, could the reader close his eyes and imagine what he would see if he came into the room where your project is happening? Many project descriptions are too vague.

Remember: You can continue to submit updated information to foundation staff almost until the date the board actually reviews the proposal.

### **Outcomes/Impact of Activities**

Tell the funder what impact your project will have — what will change about the situation as a result of your project. For example, your pregnancy nutrition counseling program intends to increase the birth weights of your clients' babies.

The impact of a project is sometimes hard to define. What is the intended impact of a performance of Beethoven's "Ninth Symphony," for example?

Impact can be difficult to measure. The desired impact of a smoking cessation program is clear, but the desired impact of a leadership program for teenagers may be ambiguous and difficult to quantify.

To add to the difficulty, few nonprofits can prove conclusively that a given impact was caused directly by their project. Your clients' babies may weigh more, but the cause may not be your nutrition program. Nevertheless, you must do the best job you can to define your intended impacts.

### **Other Funding**

Here the funder wants to know if other organizations have committed funds to the project or been asked to do so. Few funders want to be the sole support of a project. (This may not be true if the project cost is very small — less than \$5,000, for instance — or if a corporation is seeking public visibility by sponsoring the project.) Funders generally expect you to ask for support from more than one source. In this section, you can also describe the in-kind contributions (goods or services instead of cash) that people are giving to the project.

### **Future Funding**

If you continue this project in the future, how will it be supported? Most funders don't

want to support the same set of projects forever. Many funders see their niche as funding innovation: supporting new approaches to old problems or finding solutions to new problems.

What the funder really wants to see is that you have a long-term vision and funding plan for the project, that the project is "sustainable," especially if it is a new activity. If you don't have such a plan, start thinking about it — if not for your funders then for the success of your project or organization.

### **Evaluation**

How will you know whether you achieved the desired impacts? If you have done a good job of defining them, all you need to do here is describe the information you will gather to tell you how close you came. Will you keep records of incoming hot-line calls? Will you call your counseling clients six months after they leave the program to ask how they are doing? Explain who will gather the evaluation information and how you will use it. Be sure your evaluation plan is achievable given your resources. If the evaluation will cost money, be sure to put that cost in the project budget.

### **Budget**

How much will the project cost? Attach a one- or two-page budget showing expected [expenses](#) and [income](#) for the project. Or you can use the budget format in the [Minnesota Common Grant Application Form](#).

### **EXPENSES**

Divide the expense side into three sections:

- [Personnel Expenses](#)
- [Direct Project Expenses](#)
- [Administrative or Overhead Expenses](#)

**Personnel Expenses** include the expenses for all the people who will work on the project. They may be employees of your organization or independent contractors. If they are employees, list the title, the annual pay rate and, if the person will be working less than full-time or less than 12 months on the project, the portion of time to be dedicated to the project. For example, if an employee will work half-time on the project from October through May:

Counseling director ( $\$35,000 \times 50\% \times 8 \text{ months}$ ) = \$11,667

Also consider the time that may be contributed by other staff who are not directly involved. For instance, the executive director must supervise the counseling director:

Executive director ( $\$40,000 \times 5\% \times 8 \text{ months}$ ) = \$1,333

If you are using employees for the project, don't forget to add payroll taxes (FICA, Medicare, unemployment and workers' compensation) and fringe benefits such as health insurance. You can include a portion of these costs equal to the portion of the person's time dedicated to the project.

For independent contractors, list either the flat fee you will pay (\$1,500 to design costumes for a play) or the hourly rate (\$40/hour x 40 hours).

**Direct Project Expenses** are non-personnel expenses you would not incur if you did not do the project. They can be almost anything: travel costs, printing, space or equipment rental, supplies, insurance, or meeting expenses such as food.

Remember that you will have to live with this budget; you can't go back to the funder and ask for more money because you forgot something. Think carefully about all the expenses you will have. If you will be hiring new people, for example, don't forget that you may have to pay for classified ads. Also take the time to get accurate estimates. If you will be printing a brochure, don't guess at the cost. Call your printer and ask for a rough estimate.

**Administrative or Overhead Expenses** are non-personnel expenses you will incur whether or not you do the project. But if you do the project, these resources can't be used for anything else. For example, if you pay \$500 a month for an office with space for four employees, you will continue to rent the office even if the project doesn't happen. But if the project does happen, one-quarter of the office space will be occupied by the project director. So you can charge for one-quarter of your office rent, utilities and administrative costs, such as phone, copying, postage and office supplies.

Be sure to read the funder's fine print on administrative or overhead expenses (sometimes called *indirect expenses*). Some funders don't cover administrative expenses. Some instruct you to charge a flat percentage of your direct expenses. Others will allow you to itemize. If the funder has rules about overhead, remember that some of your personnel costs may in fact be "overhead" and should be moved to this section. An example is an executive director supervising a project director. You will pay the executive director whether or not you do the project, so she could be considered an administrative expense.

Note: Be sure to add up all your expenses carefully. Incorrect addition on budgets is one of the most common errors in a grant proposal.

## **INCOME**

All income for a project fits into two categories:

- [Earned Income](#)
- [Contributed Income](#)

**Earned Income** is what people give you in exchange for the service or product your project generates. Not all projects generate income, but many do. A play generates ticket

income and maybe concession income. An education project may have income from publication sales or tuition. Show how you calculated the estimated earned income:

Ticket sales (\$10/ticket x 3 performances x 200 seats x 50% of house) = \$3,000

**Contributed Income** comes in two categories: cash and in-kind. Show cash contributions first and indicate whether each item is *received*, *committed*, *pending* (you've made the request but no decision has been made) or *to be submitted*. This section should correspond to the [Other Funding](#) section in the text. For instance:

Ardendale Community Foundation (received)	\$5,000
City of Ardendale (committed)	\$2,500
Acme Widget Corporation (pending)	\$3,300
Jones Family Foundation (to be submitted)	\$4,000
Other funders (to be submitted)	\$5,400

If you plan to seek funds from a number of other funders but don't know which ones will say yes, an "other funders" line is an easy way to indicate how much *total* money you need to receive from all other sources to balance the budget.

*In-kind contributions* are gifts of goods or services instead of cash. They can include donated space, materials or time. If you list in-kind contributions as income in your budget, you must also show the corresponding expenses. If someone gives you something at a major discount, you would show the whole expense and then list the portion being donated under in-kind contributions. Here are some examples:

Expenses:

Classroom rental	\$1,500
Curriculum consultant	\$2,000
Teacher aides (4 x 40 hours each x \$5/hour)	\$800

In-kind contributions:

Ardendale Community Ed. (classroom rental)	\$1,500
Jane Doe (curriculum consultant)	\$1,000
Parents of students (teacher aides)	\$800

In this example, Jane Doe, the curriculum consultant, is doing the work for half-price, while the parents are volunteering as teacher aides.

In-kind contributions can be important for three reasons:

1. It shows all the ways in which the community is supporting your project, even though not everyone is giving cash.

2. It shows the true cost of the project -- what you would have to spend without the community support.

If you want to show in-kind for these reasons, you can either show it in the budget, as above, or simply add a footnote to the bottom of the budget, like this:

"This project will also receive more than \$3,000 of in-kind support from the school district, participating parents and various education professionals."

3. If you are applying for a matching grant, the in-kind income may sometimes be used as part of the match. If you want to use in-kind contributions as part of your match, then you must put a dollar value on them and put them in the budget. Funders who provide matching grants may have policies on how much in-kind expenses you can use in your match and how it must be documented.

### Supplementary Materials

Funders may ask for a variety of materials along with the proposal itself. Almost all funders want at least the following:

- **A copy of your IRS letter declaring your organization tax exempt.** If your group is not tax exempt, you may need to apply through a fiscal agent, or fiscal sponsor. In that case, send a copy of your fiscal agent's IRS letter.
- **A list of your board of directors and their affiliations,** such as "CPA," "marketing director, Acme Widget" or "parent volunteer."
- **A financial statement from your last complete fiscal year,** including a statement of income and expenses and a balance sheet showing assets and liabilities at the end of the year. Some funders ask for an audited statement. If you are too small to be audited, call to ask whether an audited statement is mandatory or just preferred.
- **A budget for your current fiscal year.** If you are well along in the fiscal year, also show actual year-to-date income and expenses next to the budget projections.
- **A budget for the next fiscal year** if you are within three or four months of the new year.

Some applicants are small parts of very large institutions, such as a department at the University of Minnesota or an after-school program in the Minneapolis Public Schools. In such cases, you may be better off submitting supplementary materials only for your program, not for the whole institution. Ask the funder what you should do.

Grantmakers may ask for other materials, such as a copy of your most recent IRS Form 990. If you don't understand what a funder is requesting from you, ask. If you don't have some of the requested materials, attach a note explaining why.

You can also attach resumes of your key personnel as well as general information about your organization, such as newsletters, brochures or annual reports. If you have a lot of supplementary materials, consider adding a sheet that lists them in the order in which they are attached.

## Putting It All Together

Now put the whole thing together: the cover sheet (if appropriate), the proposal itself, the [budget](#) and the [supplementary materials](#). Add a cover letter if you wish. Don't put the proposal in a fancy binder; a paper clip is fine. Be sure to note if the funder wants multiple copies of anything, or if a cover sheet needs to be signed by a staff or board member.

## Variations on the Standard Outline

The proposal format described above is most appropriate for a problem-based project costing \$5,000 or more. At times you will need to alter this format to suit other circumstances:

- [Small project proposal](#)
- [Non-problem-based project](#)
- [General operating proposal](#)
- [Capital or endowment proposal](#)

### Small request

If you are asking for a small amount of money (\$1,000 or less), you can put the entire proposal in a two- or three-page letter with required attachments. Use the same outline, but keep it short.

### Non-problem-based project

Many arts and humanities projects are not trying to solve a problem. A performance of Beethoven's "Ninth Symphony" is not a response to some societal ill. If that is your situation, you can alter this outline by deleting the [situation description](#). After you have described your project, insert a new section in which you discuss the benefits of the project.

### General operating proposal

Often you are asking for money not just for a specific project but to support all your activities for one fiscal year. In this case, adapt the standard proposal as follows:

- **Organization information:** No change.

- **Situation description:** What issues was your organization founded to address? Why is your organization needed? (If yours is not a "problem-based" organization, you can skip this part.)
- **Work plan/specific activities:** Use this section to explain what your organization plans to accomplish during the year for which you seek operating funding.
- **Impact of activities:** What are the intended impacts for that year's activities?
- **Other funding:** Who are the other funders providing operating support for this year?
- **Future funding:** What is your long-term funding plan for your organization, especially if your operating budget is growing?
- **Evaluation:** In general, how do you evaluate your work?
- **Budget:** You don't need a special project budget, just the financial information described under Supplementary Materials, [above](#).

### **Capital or endowment proposal**

Include the same information as for a project proposal. Explain how this building project, or the creation or expansion of your endowment, will help you do a better job of serving your community. But also write about your long-term plans for financial health, especially if you want money for a building. The funder doesn't want to help you buy a building if you can't afford to maintain and operate it.