ATTACHMENT 6: APPLYING FOR MAJOR FUNDING FROM FOUNDATION, GOVERNMENTS AND CORPORATIONS

New and developing NPOs typically rely on small individual donations for their funding. However, as NPOs mature, they may be in a position to seek major funding from foundations, governments or corporations. This attachment outlines important considerations for pursuing major funding.

Step 1: Determine if your NPO's program is appropriate for major funding
Major donors are most likely to fund your NPO if it meets all of the following criteria:

- You are seeking to fund a large scale program that is too big to be entirely supported through individual donations.

- Your program is innovative in some way—for example, you are trying a new service delivery model, addressing the needs of a previously neglected population, or engaging beneficiaries or stakeholders in a new way.

- Your program is potentially replicable elsewhere.

- You have data to support the need for your program.

- Your NPO has a clearly defined mission and measurable objectives.

- You can demonstrate your NPO's past accomplishments.

- You can demonstrate your NPO's management capacity.

If your NPO does not meet all of the above criteria, it is less likely that you will receive funding, especially from large national or international organizations. There may be locally-based funders that will support programs that do not meet all of the standards required by major foundation or corporate funders.

Step 2: Research potential donors

Before applying for funding, you must research potential donors to find one that is a good match for your NPO.

- Get as much background information as you can about the donor organization. Annual reports and websites can be good sources of information. They will give you information about the organization's philanthropic interests and the type of funding programs they administer.

- Obtain the organization's grant-giving guidelines. These are sometimes available on the organization's website; otherwise you will need to contact them directly. Consider the following questions:

  - What types of projects does the donor organization support? (Capacity development, direct services, research and development, etc.)

  - What issue areas does it support? (Children, education, health care, environment, etc.)

  - What size of grants does it give?

  - What is its grant cycle (timing for accepting applications and making awards)?

  Make sure that there is a match between what your NPO does and the donor organization's area of emphasis. You are wasting your time (and theirs) if you apply for funding to organizations that are not a good match.

Step 3: Make an initial contact with potential donors that appear to meet your needs

Some donor organizations require submission of a letter of interest or short pre-application before you can submit a full grant request, and they only accept full applications from NPOs that have passed the initial screening. However, even if an organization does not require a pre-application, it is a good idea to contact them before you submit a grant application. Describe your NPO and the program you want to fund, and ask them if your program is the type of program they potentially would fund.

If someone associated with your NPO has contacts within the donor organization, this can be very useful in getting a meeting with key decision-makers within the donor organization.

Step 4: Preparing a grant application

Make sure you exactly follow all of the instructions provided by the donor organization:

- Include all requested material.

- Organize the grant request as outlined in the instructions.

- Comply with requirements for font size, margins, binding and number of copies.

- Do not include attachments or materials that are not requested.

  Grant applications require a large amount of work. Plan your work carefully.

- Well before the due date, review the application form:

  - Determine who will be responsible for drafting each section.

  - Identify needed information and determine who will be responsible for getting it.

  - Identify decisions that your NPO must make before finalizing your grant application, and set up a process for making those decisions. For example, in order to complete the grant application you may need to describe exactly how you would administer the program, or what your Measurement and Evaluation (M&E) program would look like. Determine who in your organization needs to be involved in making these decisions, and establish a process for making the necessary decisions.

- Assign responsibility for grant preparation:

  o If more than one person will be involved in preparing the grant, designate one person to have lead responsibility for coordinating the grant writing and making sure that all sections are submitted completely and on time.

  o Make sure that everyone who is working on the grant has clear assignments and that they are aware of timelines and expectations.

- Grant-writing takes time. You may need to temporarily relieve people involved in grant-writing from some of their normal work responsibilities to free up time to write the grant.

- Some NPOs contract with professional grant writers. This may be a worthwhile expenditure if your NPO has the budget to support this expenditure and if the potential grant amount is large enough to justify the expense. However, you cannot expect the grant writer to provide the substance of the grant—you must be prepared with the facts, figures and justification for your grant request. Take the time to thoroughly educate the grant writer about your NPO's mission, objectives, and programs so that he/she can accurately describe your NPO in the grant application.

Step 5: Proofread the grant request before submitting it.

When you have been immersed in writing a document, it is easy to miss errors and inconsistencies that may be highly visible to others. Therefore, it is very important to have at least one person who has not been involved in writing the grant application proofread the document.

- If you are writing the grant application in a language other than Vietnamese, ask a native speaker of that language to proofread and copyedit your submission.

Step 6: Make sure that the grant application is submitted on time.

Always make sure that your proposal is received by the donor organization before the deadline.

- Plan your schedule to complete the application at least a few days in advance of the formal due date. This gives you time to deal with unforeseen complications and to carefully review the final product.

- Sometimes donor organizations require multiple copies of a proposal to be submitted. Make sure you factor in time for making needed copies.

In circumstances where the donor organization is receiving multiple grant applications, you may wish to request a receipt showing the date and time that your grant application was received.

MAJOR COMPONENTS OF A GRANT APPLICATION

Requirements for grant applications vary among donor organizations. Following are "typical" grant application components. *However, always follow the exact requirements laid out in the donor organization's instructions.*

- Brief summary of the grant request. This is a two-or-three sentence summary of the proposal (What is being requested, for what purpose)

- Organizational information. This section demonstrates that your NPO is well-organized and capable making good use of awarded funds. The following information is included in this section:

  - Mission statement

  - Who your NPO serves

  - Geographic service area

  - Governance

  - Programs

  - Budget

  - Staff

  - Other pertinent information about your NPO's structure, programs or services

- Description of the issue you are addressing and why it is important.

- Do not assume that the donor organization is knowledgeable about your area of concern. Make sure you provide enough background information so that a reader who is unfamiliar with your subject area can have a basic understanding of your field.

- Why is the issue you are addressing important? What facts demonstrate its importance? Where possible, provide true stories and examples to bring the facts to life.

- How do your NPO's programs or activities help address the issue? Provide quantitative and qualitative examples of your program's effectiveness.

- <u>Description of the program(s) for which funding is being requested.</u>

  - A general description of the program(s) you will fund through the grant.

  - Who are the program beneficiaries? (Age, social status, profession, where they live, health conditions, etc.)

  - How many units of service will you provide, and within what timeframe? (For example, how many people at risk of HIV will receive counseling each year; how many meals will be distributed to low income families per week?)

  - What planning has already taken place? (For example, do you have volunteer health care professionals lined up to do HIV counseling; do you have arrangements for a kitchen and food donations for preparing meals?)

  - Who will do the work and what are their qualifications?

  - What is the projected start and end date of the program?

- <u>Detailed program budget</u>

Having a detailed, realistic well-planned budget is very important to donor organizations. Sometimes it is the first item that donor organizations look at in reviewing a grant request.

- The budget should show all sources of income supporting the program (including in-kind support)

- It should show all program expenses, including personnel expenses, direct project expenses, and administrative or overhead expenses.

- The budget should support the narrative in the grant request. For example, if the narrative states that you will serve 100 beneficiaries, the budget should include staff and supply expenditures sufficient to serve 100 beneficiaries—not 50 and not 150.

- You should budget enough money be able to efficiently carry out the program you describe, but not so much that it appears that you are wasting money or operating inefficiently.

- Measurement and Evaluation (M&E)

  Donor organizations will want to know how you will measure the impact of your program. This includes:

  - The expected *outputs* of your program, and how and when will they be measured. Outputs are what your program produces—for example, number of at-risk persons receiving counseling for HIV; number of meals provided.

  - The expected *outcomes* of your program and how and when they will be measured. Outcomes are the *impact* that your program activities have on the problem you are trying to solve. For example, reduction in the HIV positive rate for target population; improved health indicators (weight, cholesterol, blood count) for persons participating in the meal program.

Both outputs and outcomes should logically result from the activities you are undertaking. There should be a reason to expect that your program will generate the specific outputs you list, and that over time it will generate the outcomes, or impact, that you project.

In addition to identifying outputs and outcomes, you will need to include a measurement plan. The measurement plan includes the source of data for measuring outputs and outcomes, when it will be collected, and when it will be analyzed and reported.

For additional information on outputs, outcomes and measurement plans, see the *VNPO Capacity Building Guide and Self-Assessment Tool* chapter on Program Evaluation.

- Other sources of support

  - Many donors prefer not to be the only source of funding. If you have other funders, list them in your grant request along with the amount they are contributing. (Small individual donors do not need to be listed by name. Instead, you can just say something like "400,000,000 VND from 50 individual donors). Significant volunteer and in-kind donations can also be listed as sources of support.

  - If you do not have other funders, indicate how you will pursue additional funding for the project.

- Project sustainability

  - Donors do not want to provide funding indefinitely. They will want to know how you will fund the program when their funding runs out.

- Additional materials. Attachments to your grant application will vary depending on the request of the donor organizations. Possible attachments may include:

  - Resumes of key personnel.

  - List of Board of Directors

  - NPO organization chart

  - NPO financial statement

  - Evidence of government registration

  Only include attachments that are specifically requested in the grant application instructions.