

Resources Research and Development Workshop

Workshop Manual

Prepared for

nebhands *a faith-based and community initiative*

Funded by

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Resources Research & Development Workshop Workshop Manual

I. Curriculum Practical Application

The workshop curriculum has been created specifically for grassroots faith-based and community organizations that are providing services with limited resources such as full-time staff, technology, and funding. The workshop is designed to give the participants:

- A working knowledge of materials. After the workshop, participants should be able utilize more advanced resources effectively.
- A working outline to take back to their work groups to apply to their real world programs.
- A set of questions to ask their work group during the planning process to identify knowledge gaps.
- A set of resources to provide the work group a direction to research knowledge gap resolutions. Key message: When looking for knowledge, resources, and assets, always look at your community first!

We are also presuming that much of the grassroots organization's work is done and coordinated by volunteer committees. With this in mind, the curriculum relies heavily on small group work. During each learning module, the Workshop Facilitator will integrate the small group work into a large group example. The consolidation of the small group work into a large group plan should be done through group consensus. One of the workshop objectives is to promote collective program planning. Some activities ask for stakeholder role play to help participants look at planning from different perspectives.

Example scenarios with need of resolution are given to help focus curriculum delivery. The Workshop Facilitator does have the option to develop their own examples or to ask the participants to create one. Adaptation to this form of teaching is meant to be a natural transition.

The Workshop Manual has additional supporting information that will not be formally covered in the workshop. This curriculum is designed to have a practical application. At completion of workshop, each participant should be empowered to guide their own organization through this planning process with materials provided.

II. What is Resources Research & Development Programming?

In the context of this workshop, *Resources Research & Development* is proactive financial planning that applies for-profit business plan strategies to grassroots nonprofit programs and projects. During the planning of organizational **income strategy**, the nonprofit work group makes a conscious effort to move away from budgets that are more than 75% traditional fundraising dependant.

Traditional fundraising activities include grants, annual/capital campaigns, special events, and planned giving. These sources are extremely important aspects of a nonprofit's development plans. "But in today's environment, yesterdays' fundraising strategies alone may not be sufficient for a nonprofit to grow."¹

Efforts are made to incorporate **revenue diversification** tactics that help to create a fiscal equilibrium. One of the sixteen revenue diversification strategies is **earned-income**. Through earned income ventures nonprofits have been able to:

- Generate new and unrestricted revenues
- Decrease reliance on traditional fundraising activities
- Differentiate themselves from their nonprofit peers
- Open new relationships with current and new investors
- Achieve greater mission effectiveness
- Serve more people
- Attain greater long-term sustainability and growth

Earned-income strategies are a nonprofit's adaptation to the nature of today's **market economy**. A "market" refers to the exchange of goods. A "market economy" is the earning of capital, expansion, and growth. And an "economy" is system of sharing limited resources.

With this mind, we need to understand as nonprofits (whether we adopt earned-income strategies or not) that our ability to provide effective client services is dependant upon efficiently utilizing our share of resources. More important is the concept that to provide consistent long-term services is to be able to sustain continuous resource growth (sustainability) despite current market conditions. Sustainability is dependant upon creating and maintaining a nice balance of revenue diversification.

Income Strategy: The direction you will take in the coming 12 months to generate more income, whether contributed, earned or some other form.
(see footnote 1 for reference)

Diversification
Expanding beyond traditional methods of fundraising to include earned-income tactics.

Earned Income:
Revenue received by organization or person for sale of product or services.

¹ *Nonprofit Business Solutions-Business Plans*. Retrieved from: <http://www.nbsolutions.org/lpgs/earnedventuring.html>. Hereby referred to as Solutions.



III. Why is Resources Research & Development Important?

Good resource development is important because nonprofits in the 21st Century face the daunting challenges of:²

- Increased competition
- Dwindling city, county, state & federal funds
- Shrinking foundation endowments
- Higher expectations: outcome-based measurements
- Rapidly changing technologies
- Unpredictable economic downturns
- Higher demand for services
- Decreasing public largess
- Increased pressure to operate in a business manner

Nonprofit Business Solutions states:

Surviving and growing in this challenging environment (sustainability) depends large measure on a nonprofit's ability to adapt and explore innovative methods of generating new and unrestricted revenues. Instituting more business-oriented, entrepreneurial or commercial approaches are undoubtedly an increasing trend among nonprofits to achieve this end. Research and experience strongly indicate that the key achieving nonprofit sustainability is uncovering and increasing the value of an organization's product and services.

The mentality of looking for the cure-all grant or pursuing the big donation to bail your organization out is not only archaic, but very dangerous. Your organization is working from a state of crisis and fear. This will carry over into the daily operation decreasing service effectiveness as well as promoting employee and management self interest. Everyone is fighting for the last seat on the sinking ship: the Titanic syndrome.

Resource Research & Development empowers your organizations with revenue diversifications options. A good planning process will help shift out of old patterns of thinking of being charities or wards of community generosity who are dependant upon public or governmental goodness; a mindset which is completely undervaluing your own organizational self worth. You will shift into a realization that nonprofits provide a unique and valuable role in your communities or you wouldn't exist.³

There is no easy solution. Earned-income, or any other new income strategy, takes a good deal of time, money and concentrated effort to succeed. It can take years to realize, but the influx of synergy back into your organization is invaluable.

² Solutions.

³ Solutions.

IV. Action Learning: Resources

The purpose of this workshop is to give your grassroots organization the foundation of basic resource assessment. The learning modules will guide your grassroots organization through the basic concepts of strategic revenue generation planning.

First in Module One, we will review some key terms and concepts. We will create a clear picture of where the sample (or your) organization stands over the next twelve months. The manual is designed to work this process through first with *sample organization* before applying this to real world applications.

The last two learning modules are designed to guide you through structured brainstorming sessions. The modules are designed to help your work group access acquire effective resources through directed research. In Module Two, we examine the traditional revenue sources for non-profit ventures: grants, donations and foundations. And Module Three, we will expand to non-traditional revenue sources i.e. alternatives to the customary non-profit funding streams.

The learning modules are designed to be spring board into long term financial strategic planning. Each section lists extensive resources for other reference and research materials.

Module 1: Assessment

Key Terms and Concepts:

A **revenue source** is a discrete income source with its own characteristics and requirements. It can be **earned income** or **unearned income**.⁴

Financial Resources are the ranging assets of your organization, from actual cash, property and inventory to your staff and volunteers, good will, reputation, constituent base, board members and partners of your organization.⁴

Earned income: Money received by a person or organization for product sales or service rendered.”

Unearned income: Organizational income derived from philanthropic gifts and investments, as contrasted with fees for service or product sales.”

(See footnote for reference)

⁴ Edwards, Paul. (2003) *Intermediary Development Series: Building Multiple Revenue Sources*. Retrieved from: <http://www.acf.hhs.gov/programs/ccf>.



The following table is of 16 discrete funding streams:

Revenue Source	Defined
Annual & Sustained Gifts	One or more fundraising programs that generates gift support on an annual or sustaining (more frequent than annual) basis. Annual programs acquire donor names to the organization's house file using an offer communicated through various mediums. Names are acquired using the media of radio, TV, space ads, direct mail lists, email lists, phone lists, etc. When a donor responds to an initial offer, they are then converted to at least transactions before being cultivated on the organization's file as a sustaining supporter. Examples of cultivation methods include direct mail, internet, monthly donors, affinity or club programs.
Major Gifts	A large gift, often from a person, to a not-for-profit organization, the amount required to qualify as a major gift being determined by the organization. Prospect names are identified through screening of annual supporter lists, list rentals, personal referrals, and PR-related cultivation events. Prospects are qualified through electronic and personal screening. Prospects are cultivated for a period of time before solicitation. Many major gifts require negotiation and are restricted as to use, may involve a pledge or letter of intent and require personalized recognition.
Cause-and-effect Marketing (corporation)	Marketing agreement in which a for-profit organization, by using the name and reputation of a non-profit organization, promotes its product and in return provides financial support to the organization according to a predetermined formula based on sales and purchases.
Corporate Giving Program	A grant-awarding program established and controlled by a profit-making corporation. In some corporations, this is separate from the marketing function and from any corporation foundation.
Earned Income Activities Related to the Organization's Mission	Earned income activities related to the organization's mission. Revenue received by an organization for product sales, fees for services rendered, interest generated from investments or royalties generated from owned and copyrighted works. Income is derived for activities substantially related to the organization's tax-exempt mission.
Unrelated Business Income (UBI)	Revenue received that is the result of any legal trade or business conducted by a not-for-profit organization to make money in a way not directly related to an organization's Federally tax-exempt mission.
In-kind	A donation in goods or services (not in money) such as a contribution of equipment, inventory supplies, space or staff time. The donor may place a monetary value on such a contribution for tax purposes.
Supporting Organization	A qualified charity operated, supervised or controlled by or in connection with one or more specified public charities. An auxiliary, association, friends groups or other non-profit may be a supporting organization.

Revenue Sources	Defined
Benefit Events	A social event from which net proceeds are designated as a donation to one or more causes. Examples include races, balls, carnivals, bazaars, galas, concerts, etc.
State and Local Municipalities	Funds under the direction and discretion of a non-Federal agency. Sources include state grants, local municipality grants and in-kind service, allocations of Federal block grants to a state or municipal agency under a Federal authority and state and municipal bond authority.
Federal Funds	Funds under the direction and discretion of a Federal agency. Sources include Department of Health and Human Services, Department of Commerce, and U.S. Department of Housing and Urban Development.
Churches and Denominations	Cash and in-kind contributions from a local church, local church foundation, denominational office or church-run service agency. Other organizations include a ministerial associations, regional trans-denominational organizations and associations like the NAE, NCC, etc.
Federated Funds	Funds raised through one of several employment related annual giving campaigns. Examples include United Way, Combined Federal Campaign, Combined Health Appeal, etc.
Community Partnership/Resource Sharing	Funds raised through two or more community partners who combine development resources to generate grant funding or other revenue sources. Sources include Federal grants, state and local municipalities, foundations, and donations. Other innovative income generation can occur through community partnering.

TableIV.A Adapted from: Edwards, Paul. (2003) *Intermediary Development Series: Building Multiple Revenue Sources*. Retrieved from: <http://www.acf.hhs.gov/programs/ccf>.

Step One: Revenue Source Analysis

Let's go ahead and introduce ourselves to the sample organization we will be working with during our exercises. Then we can get started in applying these terms to every day practical application.

Sample Organization:

Ms. Eleanor has just taken a new job with Empower Youth, a non-profit organization whose mission is to *prepare low-income urban youth to become community leaders and major contributors*. She is now the program director for the Youth Art Project (YAP). The project services 100 youth. Her first task is to assess the current revenue sources for the upcoming fiscal year.

Here are the current resources that have been committed to the program:

Community Foundation grant:	\$ 10,000
Youth Art Federal Grant:	\$ 50,000
Annual donation from Good Faith Congregation:	\$ 1,500
Anonymous donation:	\$ 25,000
Community Block grant from City:	\$ 5,000
Donation of office space, computer usage, office furniture lease, utilities, and building insurance valued at:	\$ 5,300
Fees for youth group music performance in the annual Mason's Celebrity Banquet:	\$ 500
Projected sales revenues of baseball tickets to minor league special fundraising event sponsored by YAP:	\$ 1,300
Projected revenue from sale of vegetables grown by Youth in their community garden:	\$ 200
Total:	\$ 98,800

Real World Application: Use the following worksheet to breakdown and analyze the next fiscal year of your organization. This will mean preparation work before the first meeting: (1) Ask your person responsible for fiscal to prepare an easy to read report stating the information found above in the sample organization resource review; and (2) provide adequate amount of worksheets for participant members (additional may be needed depending on how many resources your organization has). A lot of the exercises in this workshop manual may well need to be "homework" for the workgroup. You may also want to consider holding an introduction first meeting to review planning process and materials, as well as assign the homework. Each follow-up meeting agenda could consist of the basic outline:

- Homework/resources research review
- Applying homework to large group work
- Reviewing next section
- Assigning homework



Step Two: Project Fiscal Goals

In step one, we have established the successful income strategies that the Empower Youth management employed. Their revenue resource breakdown is:

Federal Grant:	51%
Major Gift:	25%
Foundation Grant:	10%
State & local municipalities:	5%
In-kind:	5%
Church and denominations:	2%
Cause and Effect Marketing:	1%
Earned Income related to mission:	.5%
Unrelated Business Income (UBI):	.5%

Table IV.B

Currently, the Youth Art Project is 99% funded by traditional revenue sources. This would be fine, except that Ms. Eleanor doesn't have enough funds to cover project costs for the next twelve months. The major supporter of the Youth Arts Project was a local foundation. They had contributed \$100,000 a year for three years. The foundation has a policy to only fund projects for three years. Therefore, the Youth Arts Project is no longer eligible to apply for grant fund renewal. Up to date, Empower Youth management has submitted four grants applications none of which were successful. Now, Ms. Eleanor has to find a way to generate the project budget shortfall.

Before proceeding to revenue generation for Ms. Eleanor, we have to know exactly what kind of funds to look for. This is done by an analysis of the project's projected 12 month budget and the funds already secured for that time period. The importance of this step is to know exactly how Ms. Eleanor can spend her resources. Funders allocate grant monies to be spent specifically by a budget that is submitted by the non-profit organization. The budget is a legal obligation. If an organization spends funds differently then the grant application and budget states then this is misappropriation of funds. Therefore, in real world application, your grassroots organization wants to be very clear upon what you are committing yourself to do and confident that each task can be fulfilled.

Small Group Activity: On worksheet 2, transfer the numbers from Ms. Eleanor's projected budget to the worksheet. From the foundation budgets and information, transfer the revenue sources into the "secured funding" category. When this is complete, calculate the "needed revenue generation" for each category.

Real World: Before the meeting, ask your person responsible for fiscal to make available: (1) projected budget for next twelve months; (2) any available grant budgets; and (3) any other restrictions of funding that will impact this process. With this information, fill out Worksheet 2 as per small group activity. Please continue with small group or individual activity large group if possible. This installs a "checks and balances" process into your group work.



Youth Art Project 12 Month Budget:

Funding Period: January 1st to December 31st	Project Budget
Personnel:	
1 FTE Project Director	\$ 29,994
1 FTE Youth Art Coordinator	\$ 25,994
2 .5 FTE Interns	\$ 27,176
Taxes and Fringe Benefits	\$ 11,565
Total:	\$ 94,729
Program Costs:	
Monthly Costs: Rent, utilities, telephone, computer, & other such costs	\$ 13,432
Computer & Office Supplies/Postage/Printing	\$ 2,750
Mileage reimbursement (200milesx50weeksx32.5cents/mile)	\$ 3,250
Art Supplies (\$10x100youthx50weeks)	\$ 50,000
Special Youth Art Project Fund	\$ 5,000
Subscription/Membership/Training	\$ 1,000
National Artist Project Participation	\$ 6,000
Total:	\$ 81,432
TOTAL	\$176,161

TableIV.C

Foundation Budget: Youth Empowerment wrote the grant for participation in a program that brings national artist to work with youth for one-week. There is 30 hours of programming to prepare youth for artist visit. There is another 30 hours of programming where youth create art projects from what they have learned. An art and performance show is scheduled three months after the programming. The duration of the full project is 16 weeks.

Funding Period: January 1st to December 31st	Project Budget
Personnel:	
.1 FTE Project Director	\$ 923
.2 FTE Youth Art Coordinator	\$ 1,563
Taxes and Fringe Benefits	\$ 300
Total:	\$ 2,786
Program Costs:	
Computer & Office Supplies/Postage/Printing	\$ 100
Mileage reimbursement (100milesx16weeksx32.5cents/mile)	\$ 520
Art Supplies	\$ 594
National Artist Project Cost	\$ 6,000
Total:	\$ 7,214
TOTAL	\$ 10,000

TableIV.D

Federal Grant Budget: Youth Empowerment is on their last year of a federal grant that covered 60% of their entire budget. \$50,000 of this grant was allocated to the Youth Art Project. Here is the breakdown of the budget.

Funding Period: January 1 st to December 31 st	Projected Project Budget
Personnel:	
.5 FTE Project Director	\$ 14,997
1 .5 FTE Interns	\$ 13,588
Taxes and Fringe Benefits	\$ 4,122
Total:	\$ 32,710
Program Costs:	
Monthly Costs: Rent, utilities, telephone, computer, & other such costs	\$ 0
Computer & Office Supplies/Postage/Printing	\$ 2,650
Mileage reimbursement (200milesx50weeksx32.5cents/mile)	\$ 2,730
Art Supplies (\$10x100youthx50weeks)	\$ 5,910
Special Youth Project Fund	\$ 5,000
Subscription/Membership/Training	\$ 1,000
Total:	\$ 17,290
TOTAL	\$ 50,000

TableIV.E

Special Revenue Spending Requirements:

The stipulations of the anonymous donation are that it can not go to program **administrative costs**. All of the funds have to be used for projects derived from the youth. 20% of the funds can be used to purchase art supplies.

The State of Wisconsin’s Department of Health and Social Services Administrative Workgroup developed a good working definition of **administrative costs**: Administrative costs are indispensable to the conduct of program activities and to the organization’s survival. “They include the overall directing of the organization, record keeping, business management, budgeting and related activities. If individuals spend a portion of their time directly supervising program services, their salaries and expenses may be prorated between program and administration. Administrative costs...commonly include administrative overhead allocation, internal accounting and informational system charges, budgeting, and other charges on expenditures generated from the operations and management unites of the operating division.”

Each real world application should create their own definition of administrative costs to be used during all resource research and development. It can then be compared to any potential funder’s definition to ensure congruence of grant application budgets.

Worksheet 2:

Funding Period: January 1 st to December 31 st	Project Budget	Secured Funding	Needed Revenue Generation
Personnel:			
Taxes and Fringe Benefits			
Personnel Total:			
Project Costs:			
Monthly Costs:			
Computer & Office Supplies/Postage/Printing			
Mileage reimbursement (___milesx__weeksx__cents/mile)			
Arts Supplies			
Special Youth Art Project Fund			
Subscription/Membership/Training			
National Artist Project Participation			
Project Costs Total:			
TOTAL BUDGET:			
Total Revenue Deficit:			
Total Revenue Surplus: (Special Condition Revenue not yet expended)			

Large Group: Compare the small group worksheets, if there are any discrepancies find the errors and correct them. Once everyone is in agreement create a large group worksheet that will be referred to through the next learning modules.

Module One Summary: We now have a clear picture of Ms. Eleanor’s Youth Art Project fiscal projection for the next twelve months. The Youth Art Project Budget Summary:

Budget Category	Project Budget	Secured Funding	Revenue Deficit	Revenue Surplus
Personnel:	\$ 94,729	\$ 35,493	\$ 59,236	
Project Costs:	\$ 81,432	\$ 62,936	\$ 38,496	\$20,000
Totals:	\$176,161	\$ 98,429	\$ 97,732	\$20,000
Special Conditions:				Due to stipulations on a large gift donation these funds must be used under special conditions that are not yet expended in Ms. Eleanor’s budget. Remember these funds as you explore revenue generation options

Ms. Eleanor needs to derive \$97,732 worth of revenue or make program adjustments. The next two modules will explore ways by which she might be diversifying the revenue of the program and sustain current youth programming. The importance of breaking down the Youth Art Project is to see that funding sources can be derived specific to certain categories of funding. Example: Ms. Eleanor creates a fundraising campaign specific to raising the arts supplies deficit. Or another way to look at it is: Can we find revenue that is unrestricted and therefore can be used as the program calls? The point here is the only productive creativity can happen in strategic planning is to be grounded in accurate fiscal picture of your project or program.

Module 2: Traditional Funding Sources: Grants, Donations & Foundations

Grants & Foundations

The Grantsmanship Funding Center offered this Funding Tip through their TGCI Forum on August 23, 1996:

Community Foundations:

Many nonprofits receive their first grant from their local community foundation. These are in fact grantmaking public charities, themselves supported by grants and contributions. They serve as a conduit for donors who may not have the resources or the desire to start a foundation of their own, but who still want their grantmaking to be professionally managed. The key point for grantseekers to keep in mind is that community foundations only support agencies or organizations in a specific locale. You won't get funding from the New York Community Trust if your agency is located in Vermont. (In a few cases, the "community" is an entire state--as with the Arizona Community Foundation.) Get to know your local community foundation. Not only is it a potential source of financial support, it is likely to be valuable resource for information, as well as a focus for networking with other nonprofits in your area. To access a list of community foundations that have a Web site, go to: <http://www.tgci.com/resources/foundations/community/index.html>⁵

Grants awarded in the non-profit sector are usually resources (monies or product) granted to an organization to fulfill its mission. Sources for grants include private foundations, city, state, and federal agencies. Grant applications are accepted either by invitation only (private foundations) or through a competitive process. An agency with funds will release a "request for proposals" (RFP). An RFP will outline the purpose of the funds and organizational eligibility. An internet search with key words "grant writing" will supply you with a wealth of grant writing and RFP guidelines. Due to the abundance of information available on this subject, we have decided to narrow our scope of this workshop to RFP evaluation: Is this grant a good fit for our project?

⁵ How can we decide which foundations to send proposal to? Retrieved from: <http://www.nonprofits.org/npofaq/10/03.html>.

Here is a general guideline of what to look for when evaluating an RFP:

1. Purpose of grant or foundation. Does it fit your mission?
2. Are you an eligible applicant? If not, can you partner with an organization that is?
3. Are there any geographical limitations ~ especially watch private foundations?
4. What is the due date? Do you have enough time to write a good proposal? Special note: Sometimes due dates are a postmark and sometimes the due date is a “in the office” date. Be clear. You would hate to not be considered for funding for missing the due date.
5. Funding amount: Can you do the project for this amount? Are there administrative restrictions to be considered? How much will your partners need to be successful? Can you use these funds to enhance the projects currently up and running? No grant will cover your entire project. Be creative.
6. What are the in-kind and match requirements? Does it need to be cash match?
7. What are the evaluation requirements? Does it require a third party service evaluation or demonstration project? Can you set up an internal data collection and analysis or do you need to contract out? And if so, how much will this cost you? Does it leave enough project budget to be successful?
8. What the grant scoring requirements? What will the funders rate your proposal on? Do you have a strong proposal from first review? If not, do you need to partner to strengthen the application?
9. What are the politics behind the application? What is the history of the organization giving the funds? Who have they traditionally funded? Do you look capable?
10. Are you confident that you can successfully meet all of your proposal objectives?

Small Group Activity: Let’s look at a couple sample RFPs (two fictional private foundation and one fictional federal grant) to see if Ms. Eleanor’s Youth Art Project should write for the grants. Use Worksheet 3 during this exercise. Check “yes” or “no” on whether or not, Ms. Eleanor should apply for the grant and then explain why or why not. Next, be sure to list the strengths and weaknesses of the Youth Art Project application as you know it with the information available. Finally, give a brief description of how much you would apply for and resource categories the application would effect.

Sample RFP

FUNDING :: YOUTH ARTS ⁶

Civic Partnerships

The City's investment in arts and cultural activities includes programs for our youth.

Youth Arts

The Office of Arts and Cultural Affairs supports artists, arts and community organizations who provide high quality, out-of-school arts training programs for City youth. The focus of this program is to serve middle and high school youth in grades sixth to twelfth. The intent is to build on the success of current program providers to improve or expand activities and to encourage new projects, especially those serving communities with limited to no access to the arts.

CRITERIA

A peer panel evaluates applications from invited groups using specific criteria. Proposals must demonstrate artistic merit, sound project plans, and ability to realize all aspects of an age-appropriate arts program. Priority is given to serving youth with limited to no arts experience.

APPLICATION PROCESS

The deadline for 2004 Youth Arts funding has already passed. Applications for 2005 funding will be available in late 2004.

FUNDED ORGANIZATIONS

Eighteen organizations are funded for 2003. Ongoing technical assistance for these projects is planned this year, to address capacity building needs.

LEARN MORE

We have been following the panel process, using the Youth Arts Program as an example, in our monthly [E-news](#).

Youth Arts

[Applications](#) available soon.

Recognizing and nurturing the next generation of artists, audiences and advocates is the foundation of our citywide effort to promote the arts. The Youth Arts program provides access to creative expression and a continuum of learning during out of school hours. A limited sampling of work presented by City teens engaged in art instruction with professional artists throughout the year included:

- Latino high school participants from the Mañana Coalition produced a chapbook of literary and visual arts pieces;
- Red Eagle Soaring took their Native American theatrical work on a tribal tour;
- young members of the Eritrean Community Association performed cultural dances at the dedication of their new facility; and
- participants in the [Reel Grrls Project](#) at 911 Media Arts Center showcased their film at The Sundance Film Festival

In addition to these programs, the Office of Arts & Cultural Affairs bolsters efforts of existing programs including the [City Project](#), Coyote Junior High, [Richard Hugo House](#) and [Jack Straw Productions](#).

Our office is committed to supporting a range of emerging, mid-level and established ventures that serve youth. To ensure sustainability of these valuable programs, we embarked on a year-long series of technical assistance in the form of workshops, panel presentations, and individual consultations. Workshops tailored to meet the needs of funded programs concluded this June. A three-part series of presentations by the public and private sector will be offered this fall to enhance or improve existing programs.

⁶ Adapted from: <http://www.cityofseattle.net/arts/WhatWeDo/Funding/youtharts/default.asp>



Over the last three years Youth Arts Programs have provided more than 11,000 hours of arts engagement to approximately 1,600 Seattle teens guided by 250 professional artists at over 150 sites. These opportunities hone future artists, foster cultural ambassadors and develop new audiences for the artistic health of our city. In its pilot phase, the Youth Arts Program accepted applications on an invitational basis. The 2004 funding cycle will be open to the general public. Check our [funding application](#) page for updates

Sample RFP

Grants Programs⁷

Arts Council Announces Grant Opportunities 2003 - 2004!

Arts Council builds community by investing in the arts. Since 1990, nearly \$6.5 million has been awarded to arts organizations, artists, community groups, schools and social service agencies. We are committed to the development of a robust local arts sector celebrating the rich variety of ethnic and cultural traditions of the people of Santa Clara County.

Applied Materials Excellence in the Arts

Two technical assistance programs for small and mid-sized arts organizations, grants are awarded for Leadership & Organizational Excellence and Artistic & Program Excellence.

Artist Fellowships

Grants awarded annually in rotating categories to recognize professional working artists and to enable them to continue to pursue their creative work.

Community Arts Fund

Grants provide project support for arts activities reflective of our multicultural region, with an emphasis on encouraging small, community-based, volunteer-driven organizations.

Organization Enhancement Fund

Grants provide general operating support for the administrative and artistic development of arts organizations with an emphasis on encouraging professional and semi-professional groups.

Grant Workshops

Free workshops in October and November 2003 will be offered to prospective applicants.

For further information, please contact: Diem Jones, Director of Grants Programs

Funding Opportunities 2003 - 2004

Applied Materials Excellence in the Arts, a program of Arts Council, offers funding opportunities in the categories of **Leadership & Organizational Enhancement** and **Artistic & Program Excellence**.

Leadership & Organizational Enhancement

Purpose: Awards to support administrative development and organizational infrastructure through technical assistance grants.

Grant Size: \$500 – 2,500 (total grants allocation through 6/30/04 is \$30,000)

Sample grants: Funds are given for special projects, not general operating support or ongoing programs. Sample projects may include support for consultants for marketing and fundraising, professional

⁷ Adapted from: <http://www.artscouncil.org/grants.htm>



development of senior arts administrators by attending conferences and seminars, board/staff training and leadership opportunities, creation of a long-range strategic plan and evaluation.

Artistic & Program Excellence

Purpose: Awards to support exceptional projects that demonstrate artistic and programmatic excellence.

Grant Size: \$1,000 – 5,000 (total grants allocation through 6/30/04 is \$70,000)

Sample Grants: Funds are given for special projects, not general operating support or ongoing programs. Sample projects may include support for artistic development and leadership; seed money for a new collaboration; venture funding for innovative opportunities; working with an individual artist on a special project.

2004 Application and Guidelines are now available!

DOWNLOADS: (Click link below and **save** to your computer. Both documents required for application.)

[2003-2004 Applied Materials Excellence in the Arts - Application & Guidelines](#) (MS WORD Document)

Community Arts Fund provides project support for arts activities reflective of our multicultural region, with an emphasis on encouraging small, community-based, volunteer-driven organizations.

Through the **Community Arts Fund**, we seek to:

- Recognize and encourage non-professional, volunteer activities as an essential part of the county's cultural environment
- Support cultural activities which reflect the dynamic, diverse, and innovative character of the City.
- Stimulate local support particularly at the grassroots level.

Community Arts Fund provides grants to a maximum of \$2,500 to organizations with total expenses of \$5,000 to \$100,000 in the last completed fiscal year.

Organizations with total expenses *less than \$6,000* in the last complete fiscal year may apply for up to 50% of their last year's total expenses.

Organizations with total expenses *greater than \$100,000* may submit one application for an arts project or department that is independently budgeted (i.e., a program of a university, or a project of a government agency or non-profit organization).

2004 Application and Guidelines are now available!

DOWNLOADS: (Click link below and **save** to your computer. Both documents required for application.)

[2004 CAF Application & Guidelines](#) (MS WORD Document)

[CAF Budget Worksheet](#) (MS EXCEL Document)

Organization Enhancement Fund provides general operating support for the administrative and artistic development of arts organizations with emphasis on encouraging professional and semi-professional groups.

Through the **Organization Enhancement Fund**, we seek to:

- Sustain the professional development of small and mid-sized arts organizations.
- Promote artistic and business excellence.
- Support diverse cultural activities that enhance the artistic life of Santa Clara County.



Organization Enhancement Fund provides grants to a maximum of \$4,500, \$7,500 or \$8,000 depending on the size of the organization.

Level 1: Organizations with total expenses in the last completed fiscal year of \$100,000 to \$300,000 may apply for \$4,500.

Level 2: Organizations with total expenses in the last completed fiscal year of \$300,000 to \$1,000,000 may apply for \$7,500.

Level 3: Organizations with total expenses in the last completed fiscal year of \$1,000,000 to \$2,000,000 may apply for \$8,000.

Sample RFP: Federal Grant

Program Purpose⁸

The Department of Health and Human Services (DHHS) is committed to improving the overall education and well being of all individuals, including low-income youth, through promotion of personal responsibility.

DHHS also recognizes that improving the status of low-income youth can also be improved by access to increased educational resources. The DHHS encourages community efforts to improve the coordination and integration of traditional educational settings and community improvement projects for all low-income families, and to identify opportunities for collaborating with other programs and services for this population. Such collaboration can increase a community's capacity to leverage resources and promote an integrated approach to providing holistic educational experiences through existing programs and services.

Project Goals

The goals of the Community Youth Program are: (1) to coordinate private and public educational resources, wherever the grant recipient involved determines such coordination to be inadequate, to better serve the educational needs of low-income youth; (2) to assist low-income communities to identify potential sponsors of youth programs and to initiate such programs in underserved or unserved areas; and (3) to develop innovative approaches at the State and local level to meet the educational needs of low-income youth.

The Office of Community Services invites eligible entities to submit competing grant applications for Community Youth Projects that will establish, support, and/or manage educational services for low-income youth. The main objective of the CYP is to link low-income youth to educational programs.

1. Project Requirements

Focus on one or more legislatively-mandated program activities: (a) coordination of private and public educational resources, wherever the grant recipient involved determines such coordination to be inadequate, to better serve low-income youth; (b) assistance to low-income communities in identifying potential sponsors of youth programs and initiating such programs in unserved or underserved areas; and (c) development of innovative approaches at the state and local level to meet the educational needs of low-income youth.

Additionally, in carrying out such activities, projects funded under this program should (1) be designed and intended to provide educational benefits to a targeted low-income group of youth; (2) provide outreach and public education to inform eligible low-income individuals and families of other educational services available to them under the various Federally-assisted programs; (3) carry out targeted communications and social marketing to improve basic educational skills and increase program participation among eligible low-income populations, and (4) consult with and/or inform local officials that administer other youth educational resources, where applicable, to ensure effective coordination that can jointly target services to increase their effectiveness. Such consultation may include involving these offices in planning grant applications.

⁸ Adapted from the Office of Community Services Community Food And Nutrition 2003 Request for Proposals. Retrieved from : http://www.acf.dhhs.gov/programs/ocs/fy2003ocsfunding/section2c.html#ptb_1

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OCS views this program as a capacity-building program (See definition), rather than a service delivery program.

2. Program Priority Areas

Although there are two Program Priority Areas for Fiscal Year 2003, this announcement is only announcing availability of funds for Priority Area 1.0, General Projects. Applications will not be accepted for Priority Area 2.0 because OCS awarded a three-year cooperative agreement in Fiscal Year 2002.

Eligible Applicants

Eligible applicants are State and local governments, Indian tribes, and public and private non-profit agencies/organizations including faith-based organizations with a demonstrated ability to successfully develop and implement programs and activities similar to those enumerated above.

The Office of Community Services encourages Historically Black Colleges and Universities, and minority institutions to submit applications. Eligible applicants with programs benefiting Native Americans and migrant or seasonal farm workers are also encouraged to submit applications.

Any non-profit organization submitting an application must submit proof of its non-profit status in its application at the time of submission. The non-profit agency can accomplish this by providing:

- a. A reference to the applicant organization's listing in the Internal Revenue Service's (IRS) most recent list of tax-exempt organizations described in the IRS Code;
- b. A copy of a currently valid IRS tax exemption certificate;
- c. A statement from a State taxing body, State attorney general, or other appropriate State official certifying that the applicant organization has a non-profit status and that none of the net earnings accrue to any private shareholders or individuals;
- d. A certified copy of the organization's certificate of incorporation or similar document that clearly establishes non-profit status;
- e. Any of the items in the paragraphs immediately above for a State or national parent organization and a statement signed by the parent organization that the applicant is a local non-profit affiliate.

Private, non-profit organizations are encouraged to submit with their applications the optional survey located under "Grants Manuals & Forms" at:

www.acf.hhs.gov/programs/ofs/forms.htm

3. Availability of Funds and Grant Amounts

a. Fiscal Year 2003 Funding

The funds available for grant awards under the Community Youth Program (CYP) in Fiscal Year 2003 are: General Projects – Priority Area 1.0: @ \$2,100,000.

There are no new funds available during FY 2003 for Priority Area 2.0 – Nationwide Projects.

b. Grant Amounts

No individual grant application will be considered for an amount in excess of \$50,000 for applications submitted under General Projects.

4. Mobilization of Resources

There is no match requirement for the Community Youth Program. However, OCS would like to mobilize as many resources as possible to enhance projects funded under the CYP. OCS supports and encourages applications submitted by applicants whose programs will leverage other resources, either cash or third party in-kind.

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5. Project Periods and Budget Periods

The project and budget period for CYP grant awards is one year. However, in rare instances, depending on the characteristics of an individual project and the justification presented in the application, a grant may be made for a project period of up to 17 months.

6. Administrative Costs/Indirect Costs

There is no predetermined administrative cost ceiling for projects funded under this program. Indirect costs consistent with approved indirect cost rate agreements are allowable. Applicants should enclose a copy of the current approved rate agreement. However, it should be understood that indirect costs are part of, and not in addition to, the amount of funds awarded in the subject grant.

7. Program Beneficiaries

Projects proposed for funding under this announcement must result in direct benefits targeted toward low-income youth as defined in the most recent annual update of the Poverty Income Guidelines published by DHHS. Attachment A to this announcement is an excerpt from the most recently published guidelines. Annual revisions of these guidelines are normally published in the Federal Register in February or early March of each year and are applicable to projects being implemented at the time of publication. Grantees will be required to apply the most recent guidelines throughout the project period. The Federal Register may be obtained from public libraries, Congressional offices, or by writing the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. The Federal Register is also available on the Internet through GPO Access at the following web address:

http://www.access.gpo.gov/su_docs/aces/aces140.html

No other government agency or privately defined poverty guidelines are applicable to determining low-income eligibility for this OCS program.

8. Number of Projects in Application

An application may contain only one proposed project and this project must address the basic criteria found in Parts A and B, and section III of this announcement. Applications not complying with these requirements will not be funded.

9. Multiple Submittals

There is no limit to the number of applications that can be submitted by an eligible applicant as long as each application is for a different project. However, no applicant will receive more than one grant.

10. Sub-Contracting or Delegating Projects

OCS will not fund any project where the role of the eligible applicant is primarily to serve as a conduit for funds to other organizations.

11. Evaluation Criteria

Application Elements and Review Criteria for Applications

Each application that passes the initial screening described in section IV, of this program announcement, will be assessed and scored by three independent reviewers. Each reviewer will give a numerical score for each application. These numerical scores will be supported by explanatory statements on a formal rating form describing major strengths and weaknesses under each applicable criterion published in the announcement. Scoring will be based on a total of 100 points, and for each application will be the average of the scores of the three reviewers.

The competitive review of applications will be based on the degree to which applicants: (a) adhere to the requirements in Parts A and B and sections III, IV and VI; and (b) incorporate each of the Elements and Sub-



Elements below into their applications, so as to describe convincingly a project that will develop new food and nutrition services/activities to benefit low-income households including displaced workers, elderly people, children, and the working poor.

In order to simplify the application preparation and review process, OCS seeks to keep grant applications cogent and brief. Applications with project narratives (excluding project summaries, budget justifications, and appendices) exceeding 30 letter-sized pages of 12 pitch type or equivalent on a single side will not be reviewed. Applicants should prepare and assemble their project descriptions using the following outline of required project elements. They should, furthermore, build their project concept, plans, and application description upon the guidelines set forth for each of the project elements.

Project descriptions are evaluated on the basis of substance, not length. Pages should be numbered consecutively and a table of contents should be included for easy reference. Applicants are reminded that the overall project narrative must not exceed 30 pages.

When writing their project narratives, applicants should respond to the review criteria using the same sequential order.

Criteria for Review and Evaluation of Applications Submitted Under This Program Announcement:

The review criteria both reiterate and explain in greater detail the information requirements contained in section III of this announcement.

Evaluation Criterion I. Results or Benefits Expected (Maximum: 30 points)

Element I. Significant and Beneficial Impact (0-30 Points)

Sub-Element I(a) Improvement in Educational Services to Low-Income Youth (0-15 Points)

Applicants shall address how they propose to significantly improve or increase educational services to low-income youth and indicate how such improvements or increases are quantified.

Sub-Element I(b) Promotional of Social Service activities Included in Educational Services (0-5 Points)

Applicant incorporates into the project awareness of social services activities for low-income youth along with educational services.

Sub-Element I(c) Commitment of Resources (0-5 Points)

Applicant indicates that the project will significantly leverage or mobilize other community resources. These resources are detailed and quantified.

Sub-Element I(d) One Time Funding (0-5 Points)

Applicant demonstrates either that the project addresses problem(s) that can be resolved by one-time OCS funding, or demonstrates that non-Federal funding is available to continue the project without Federal support.

In addressing the above criterion, the applicant must include quantitative data for items (a), (b), and (c), and discuss how the beneficial impact relates to the relevant legislatively-mandated program activities identified in Parts A and B and the problems and/or needs described under Criterion V.

Evaluation Criterion II. Approach (Maximum: 25 points)

Element II. Adequacy of Work Program (0-25 Points)

Sub-Element II(a). Realistic Quarterly Time Lines (0-10 Points)

Applicant should provide realistic quarterly projections of the activities to be carried out including the projected number of beneficiaries to be served each quarter.



Sub-Element II(b). Detailed Work Plan (0-15 Points)

Applicant must insure that activities are adequately described and appear reasonable likely to achieve results which will have a desired impact on the identified problems and/or needs.

In addressing this criterion, the applicant should address the basic criteria and other mandated activities found in Parts A and B and should include:

- (1) Project priorities, and rationale for selecting them, which relate to the specific nutritional problem(s) and/or need(s) of the target population identified under Criterion V;
- (2) Goals and objectives that speak to the(se) problem(s) and/or need(s); and
- (3) Project activities that, if successfully carried out, can reasonably be expected to result in achieving these goals and objectives.

Evaluation Criterion III. Coordination/Services Integration (Maximum: 15 points)

Element III. Coordination/ Services Integration (0-15 Points)

Sub-Element III(a) Coordinated Community-Based Planning (0-10 Points)

Application demonstrates evidence of coordinated community-based planning in its development, including strategies in the work program to collaborate with other locally-funded Federal programs (such as DHHS health and social services and USDA Food and Consumer Service programs) in ways that will eliminate duplication and will, for example: (a) unite funding streams at the local level to increase program outreach and effectiveness; (b) facilitate access to other needed social services by coordinating and simplifying intake and eligibility certification processes for clients; or (c) bring project participants into direct interaction with holistic family development resources in the community where needed.

Sub-Element III(b). Community Empowerment Consideration (0-5 Points)

Special consideration will be given to applicants located in areas characterized by poverty and other indicators of socio-economic distress such as a poverty rate of at least 20 percent, designation as an Empowerment Zone or Enterprise Community, high levels of unemployment, and high levels of incidences of violence, gang activity, crime, or drug use. Applicants should document their involvement in the preparation and planned implementation of a comprehensive community-based strategic plan to achieve both economic and human development in an integrated manner.

If the applicant is receiving funds from the State for community food and nutrition activities, the applicant should address how the funds are being utilized, and how they will be coordinated with the proposed project to maximize the effectiveness of both. If State funds are being used in the project for which OCS funds are being requested, their usage should be specifically described.

Evaluation Criterion IV. Organizational Profiles (Maximum: 15 points)

Element IV. Organizational Experience and Administrative Capability (0-15 Points)

Sub-Element IV(a). Organizational Experience in Program Area (0-5 Points)

The applicant should document the organization's capability and relevant experience in developing and operating programs that deal with poverty problems similar to those to be addressed by the proposed project. Documentation provided should indicate that projects previously undertaken have been relevant and effective and have provided permanent benefits to the low-income population. Organizations proposing training and technical assistance should have detailed competence in the program area and expertise in training and technical assistance. If applicable, information provided by these applicants also addresses related achievements and competence of each cooperating or sponsoring organization.

Sub-Element IV(b). Management History (0-5 Points)



Applicants must demonstrate their ability to implement sound and effective management practices. If they have been recipients of other Federal or other governmental grants, they must also document their compliance with financial and program progress reporting and audit requirements. Such documentation may be in the form of references to any available audit or progress reports and should be accompanied by a statement from a Certified or Licensed Public Accountant as to the sufficiency of the applicant's financial management system to protect adequately any Federal funds awarded under the application submitted.

Sub-Element IV(c). Staff Skills, Resources and Responsibilities (0-5 Points)

The application should adequately describe the experience and skills of the proposed Project Director, showing that the individual is not only well qualified, but that his/her professional capabilities are relevant to successfully implement the project. If the key staff person has not yet been identified, the application contains a comprehensive position description indicating that the responsibilities to be assigned to the project director are relevant to successfully implement the project. The applicant must indicate that the applicant has adequate facilities and resources (i.e. space and equipment) to carry out the work plan successfully.

In addressing the above criterion, the applicant must clearly show that sufficient time of the Project Director and other senior staff will be budgeted to assure timely project implementation and oversight and that the assigned responsibilities of the staff are appropriate to the tasks identified.

Evaluation Criterion V: Objectives and Need for Assistance (Maximum: 10 points)

Element V. Description of Target Population and Analysis of Needs/Priorities (0-10 Points)

Sub-Element V(a) Description of Target Population. (0-4 Points)

In addressing this criterion, the applicant should describe the target area and population to be served, including specific details on any minority population(s) to be served.

Sub-Element V(b) Analysis of Needs/Priorities (0-6 Points)

In addressing the above criterion, the applicant should discuss the nature and extent of the problem(s) and/or need(s), including specific information on minority population(s).

Evaluation Criterion VI. Budget and Budget Justification (Maximum: 5 points)

Element VI. Appropriateness of Budget (0-5 Points)

Every application must include a Budget Justification, placed after the budget forms SF-424 and 424A, explaining the sources and uses of project funds. The budget is adequate and administrative costs are appropriate to the services proposed.

Worksheet 3:

Funding Source	Yes	No	Why?	Why Not?
Resource needs Funding Source would effect			Strengths	Weaknesses

Funding Source	Yes	No	Why?	Why Not?
Resource needs Funding Source would effect			Strengths	Weaknesses

Funding Source	Yes	No	Why?	Why Not?
Resource needs Funding Source would effect			Strengths	Weaknesses

Large Group: Discuss and compare your small group worksheets. Make a list of the grants your large group would apply for to help Ms. Eleanor out. Now ask yourselves:

- If your grant writing were successful, how much resource revenue would these grants generate?
- How long would these funds last: three years, two years, or a one-time grant?
- How does contribute to the long-term sustainability of this project?
- How much revenue generation deficit does Ms. Eleanor still face?

Real World Grant RFP evaluation will start as a homework assignment. Each workgroup member, or a selected grant researcher, should start bringing potential grant resources to the table for evaluation. Time permitting ask work group member to take home the RFP and proceed through this evaluation process. If not, use this format to evaluate RFP during the meeting. When an RFP is found to be a good fit for your program then search out grant writing resources (or better yet have a grant writer waiting and ready to write). Be sure to allocate yourself enough time for this process. Grant writing takes time, organization, and cooperation.

Researching Grants: There are no sure fire guidelines to search out grants. Fact is, it takes time and diligence. Grant research is like any other specialty or expertise. You know how to effectively find what your looking for comes with experience. In this manual, we've taken our collective experience and created an extensive list for you to start researching. This is a good starting place.

Sometimes though, potential funding sources are found with a good keyword search off an internet search engine. Example: Ms. Eleanor were to type in “youth arts funding sources” the following would appear on a <http://www.yahoo.com>:

1. [Arts funding sources for Cornish schools](#) 

... Call **Youth Music** 08450 560560 or visit website for more ... a year to increasing access to the **arts, arts** in education ... Awards are cash awards to **fund** projects that ...
www.keap.org.uk/funding/schools.htm - 17k - [Cached](#)
2. [ResearchCentral: Foundations & Federal Funding Sources](#) 

... Technologies for Better Health; The Opportunity **Fund**. ... and **Art** Conservation; Performing **Arts**; Population; Research in ... inner-city education and **youth** programs; fair ...
www.ksg.harvard.edu/research/fndtns_new.htm - 45k - [Cached](#)
3. [Links :: ARTS Ed](#) 

... are not currently listed here but there is a link to visit other **funding sources**. ... **Art** IS Education is devoted to **youth arts** learning opportunities in ...
www.artsedeastbay.org/links.html - 29k - [Cached](#)
4. [YouthArts Toolkit -- arts programs for youth at risk](#) 

... org/. Other **sources** of information about **funding** opportunities and resources for **arts** programs for children and **youth** include: The ...
www.americansforthearts.org/youtharts/costs/ - 22k - [Cached](#) - [More pages from this site](#)
5. [charities scotland voluntary sector charities voluntary ...](#) 

All Areas of Interest. ... from Glasgow, Scotland, UK and international **sources**. ...
www.workwithus.org/ - 30k - [Cached](#)
6. [Guide / Funding / Other Funding Sources](#) 

... **arts**, after school programs, and **youth** orchestras that ... of the humanities through the **funding** of research ... NEW YORK FOUNDATION FOR THE **ARTS' SOURCE** The nation's ...
www.iowaartscouncil.org/guidebook/gb27.htm - 13k - [Cached](#) - [More pages from this site](#)
7. [Funding and Grant Sources for Libraries and Librarians: \(MICROSOFT WORD\)](#) 

... Clearinghouses that bring **funding sources** together in one place. Technology **Funds**. Education **Funds**. **Arts Funds**. Health and Nutrition **Funds**. **Youth** at Risk **Funds**. ...
www.htls.lib.il.us/youth/bestgrant.doc - [View as html](#)
8. [Arts Funding IV \(PDF\)](#) 

... **Arts Funding** for Children and **Youth** · **Youth funding** in the ... operating support from **arts** groups **Source**: The Foundation Center, **Arts Funding IV**, 2003. ...
fdncenter.org/research/trends_analysis/pdf/03arthl.pdf - [View as html](#) - [More pages from this site](#)

The most effective tool in grant research is a decent computer with a high speed modem with printer. As potential resources are found print the necessary information and keep them filed by either subject/potential project or due date. If you file by subject/potential project, be sure to keep a due date calendar. Actually calendar for RFP review six weeks before the actual due date to give your grant writer enough lead time to successfully complete the application.

Federal & Foundation Grant Resources:

*May be found at your public library:*⁹

The Chronicle of Philanthropy fortnightly newspaper containing grants lists, foundation data, and a lot of other good information P.O.Box 1989, Marion OH 43306-4089 \$67.50/year

"Chronicle Guide to Grants" on 3.5" HD discs, IBM compatible \$295 on CD-ROM, IBM compatible (more listings) \$395 both include 5 bi-monthly updates 1255 Twenty-Third Street, N.W., Washington, DC 20037 800-287-6072 fax 202-223-6292

Philanthropic Digest: American Prospect Research Association 414 Plaza Drive, Suite 209 Westmont, IL 60559 708-655-0177 subscription \$89.95/year for non-members, \$69.95 for members membership \$75.00

The Taft Foundation: *Corporate Giving Directory *The Foundation 1000 database "Prospector's Choice" \$795 periodicals: The Taft Foundation Giving Watch The Taft Corporate Giving Watch

The Foundation Center: *The Foundation Directory 1 & 2, and supplement *Foundations Grants Index *National Data Book of Foundations *Foundation 1000 *Foundation Grants Index Quarterly *National Directory of Corporate Giving *Foundation Fundamentals *Foundation Grants to Individuals Selected Grant Guides (these are by interest: e.g. disabled) *Foundation Giving Literature of the Nonprofit Sector User-Friendly Guide

Note: TFC offices in New York City and Washington DC have complete sets of 990's from U.S. foundations; Cleveland and San Francisco offices have 990's for midwestern and western states, respectively.

More than 180 public libraries across the nation belong to the Center's network of cooperating collections, and have most of their publications available. The Foundation Center's gopher site lists the addresses of all the Foundation Center cooperating libraries.

Orca Knowledge Systems 415-461-4912 (voice) 461-6603 (fax) databases: "Sources of Foundations/Sources of Corporate Foundations" \$750/both; \$114/year for updates

Public Management Institute: Corporate 500 Directory of Corporate Philanthropy \$365. 415-896-1900

⁹ Sources of information for grantwriting and research. Retrieved from:
<http://www.nonprofits.org/npofaq/10/08.html>

Internet Resources:

The Council on Foundations: www.cof.org.

The Chronicle of Philanthropy: www.philanthropy.com.

Federal Assistance Monitor is a semimonthly report on federal and private grant opportunities. For a subscription call (800) 666-6380 or visit: www.cdpublications.com.

Federal Funds for Organizations That Help Those in Need is a 72 page comprehensive guide to federal grants derived from the White House Faith-Based and Community Initiatives. The table of contents subheadings includes At-Risk Youth, Crime Prevention & Treatment, Elders in Need, Food & Nutrition, Health, Refugees, Substance Abuse, and Community Service Resources. A printable PDF version can be found at www.dtiassociates.com/fbci/downloads/GrantsCatalogue.pdf.

Federal Register is where federal announcement are posted each work day. The grant announcements and RFPs for all grants found in *Federal Funds for Organizations That Help Those in Need* will be released here. The website address is: <http://www.gpoaccess.gov/fr/index.html>.

The Foundation Center is a wealth of information on philanthropy. It also provides a weekly electronic newsletter advising of funding opportunities. Go to: <http://fdncenter.org>.

Foundations On-line provides links to all the major foundations in the United States. Foundations.org is a service the Northern California Community Foundation, Inc. The website address is: <http://www.foundations.org/grantmakers.html>.

Foundation Resource Directory: A Guide to Grants for Nebraska Children, Youth, Family, and Community Projects is a comprehensive resource of state-wide community foundations. Contact Jen Bolen, NE Department of Economic Development, at jbolen@neded.org or call (402) 471-6280.

Researching Grants and Funding Resources Online is a guide for online research volunteers. It provides research guidance and linkages. This edocument can be found at: <http://www.unites.org/html/resource/knowledge/07grants.htm>.

A nationwide set of nonprofit resource guides was just completed, which provides easy access to demographics and other local data. Each community has its own guide, with demographic reports drawn from the 2000 Census. The site profiles more than 25,000 communities across the country, with information was compiled by journalists formerly with the Detroit Free Press, the New York Times and American Demographics magazine. Please take a look. The website believes that users will find it quite helpful: <http://www.epodunk.com/nonprofits/> Laurie Bennett ePodunk - Celebrating the power of place <http://www.epodunk.com>¹⁰

¹⁰ *Sources of Information on Grantwriting and Research*. Retrieved from: <http://www.nonprofits.org/npofaq/10/08.html>.

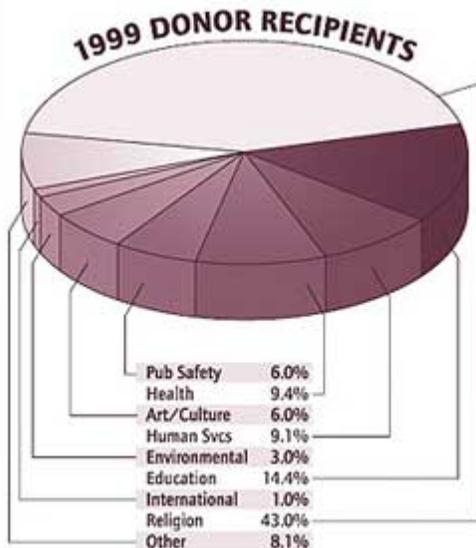
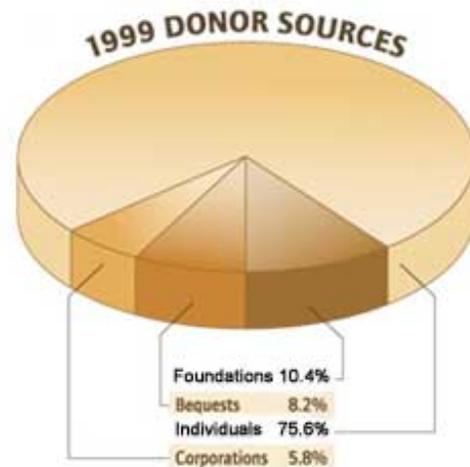


Donations

The official definition of donation is *an act of giving to charity*. This “act of giving” comes in forms of cash, cars, clothes, food, furniture, toys, and other items that pertain to the mission of the nonprofit. Nonprofits engage in a wide range of strategies to engage individuals and businesses to engage in this transaction, i.e. fundraising.

Most of the donations allocated in the United States are provided by individuals (see pie chart to the right).¹¹ Also note from the pie chart below that in 1999 43% of those donations went to religious organizations.

Fundraising is a specialized business. Large nonprofit agencies have staff positions dedicated to generating funds through donations. Intense marketing campaigns are created and launched. From the grocery store counter to the radio waves, nonprofits are soliciting for American citizens to contribute their good will through fiscal support.



Therefore, the limited space this workshop has to dedicate to this topic does not give justice. We are providing a list of resources to help you begin your search. An excellent resource of Carl Richardson’s “The Ten Immutable Laws of the (Fundraising) Universe” that can be found on the next page. By no means are we under emphasizing the importance of a good fundraising strategy in revenue diversification. We are though deferring to the experts in this field.

¹¹ *History of Philanthropy*. Retrieved from: <http://www.arizonagrantmakersforum.org/articlehistory.asp>.

The Foundation Center has posted on it's website "The Ten Immutable Laws of the (Fundraising) Universe" by Carl Richardson. For the complete text, see <http://fdncenter.org/pnd/tsn/tsn.jhtml?pid=47800041>.

He writes In my years of working with a wide range of nonprofit organizations, I've learned that the universe of fundraising can be described by certain "laws," much like the physical universe is described by certain provable statements. Tested by experience, observation, and results, these laws of fundraising determine to a large extent the success of our efforts. If your capital campaign has stalled, your funding proposals routinely go unfunded, or your board has stopped working effectively, the laws described below may point you toward a solution.

Here are those ten rules in a list:

1. No group of individuals is waiting to give (also known as the Law of the Nonexistent They).
2. Fundraising is a conversation between funded and funder.
3. Effective fundraising is a result of telling your story.
4. People give to people.
5. Someone must ask for the money.
6. An organization cannot thank a donor enough.
7. Seek investments, not gifts.
8. Donors are developed, not born.
9. Fundraising out of desperation is futile.
10. In the best of circumstances, people will do what they please (also known as the Law of Uncertainty).¹²

¹² What are the "immutable laws" of fundraising? Retrieved from: <http://www.nonprofits.org/npofaq/19/59.html>.

Resources

Articles, Ideas and Resources on FUNDRAISING for Christian Organizations has links to many fundraising articles specific to faith-based organizations. Find the links at: <http://www.kluth.org/1fundraising.htm>.

Fundraising Internet Links & Resources of Interest to Nonprofits can be found at <http://www.nonprofits.org/npofaq/06/01.html#FUND>.

Fundsnet Services is a web source that covers topics that cover fundraising, grants & other related resources. Go to: <http://www.fundsnetserivces.com>.

Grassroots Fundraising Journal can be found at: <http://www.grassrootsfundraising.org>.

Resources for Fundraising Online is a 76 page document that provides information and an endless list of links hooking you up with resources on fundraising online. Go to: <http://www.nonprofits.org/npofaq/misc/99080olfr.html>.

Module 3: Non-traditional Funding Resources

Module One provides you with a nice summary of 16 funding systems. We spent some time working with the common of the traditional revenues for nonprofits: grants. Now, we are going to examine two of the nontraditional funding resources: community partnering/organizing (resources sharing) and social enterprises.

Community Partnering/Organizing

In 2003, the Office of Community Services announced that they would no longer fund applications that were from a single agency. What this meant was that if communities wanted to this federal office's investment they were going to have to work together. This has traditionally been called Community Development. Now, we refer it to "community partnering" or "community organizing," as Community Development has traditionally been linked with the economic development. Community partnering now crosses all boundaries linking together private, public, nonprofit, and government office together to share resources and increase service effectiveness.

Community partnering helps to avoid service duplication which in return uses our community resources more effectively. If you recall from our introduction, economics in it's purest form is resource sharing. In our current nonprofit sector climate, resources are scarce, competitive, and depleting.

Good community partnering can bring together like-minded organizations together to develop and implement strategic resource development. A grant application with a broad community-wide reach is more appealing to all funders. It shows that our community is working hard to serve the needs of our target populations most effectively versus soliciting funds that will pay for agency administrative overhead. This also deepens the community partnerships ties to the community, which could result in more fundraising opportunities, corporate philanthropy and income generation opportunities.

Nationally, community organizing groups have:

- Leveraged billions of dollars in public- and private-sector investment;
- Expanded and improved city services;
- Prevented industrial plant closings;
- Secure fair-share hiring agreements from public- and private-sector employers;
- Cleaned-up toxic waste dumps in low-income communities;
- Organized public and private housing tenants;
- Improved the climate, operation and performance of neighborhood schools; and
- Built or rehabilitated thousands of affordable housing units."¹³

¹³ *The Community Organizing Toolbox* (2001) Neighborhood Funders Group. Retrieved from: www.nfg.org.



Community partnering/organizing can be time intensive. The planning process has got to have a motivating force behind it; someone who is responsible for the calling of meetings, getting the partners and community stakeholders to the table, resource development, and following-up. In the initial stages of community partnering, there may be past wounds to be healed between organizations. Trust will be an issue. Community partnering is asking a nonprofit sector that has been historically competitive for funds to start working side-by-side with really no guarantees of success. Therefore, the partnership caregiver has to be aware of the internal group dynamics, as well as the community politics. Who does this partnership impact? What does it mean to form this alliance? How can we avoid making anyone feel threatened? Any community partnering, even if large nonprofit and government agencies participate, is still grassroots organizing. The purpose is to create change. Be aware that social change is always work.

The first step to community organizing is identifying who would be good partners to fulfill your missions goals. Don't limit your list. Brainstorm with as much creativity as possible. Once your list is complete, pick a date and have a meeting. Explain what you would like to see happen: the vision. This has begun the dialogue. Be true to the partnership dialogue and not your organizations agenda. A good partnership is one where members "leave their hats at the door" and focus on the youth, families, and community members that your projects will impact. Not your own organizational priorities. A partnership based on self-interest will fail. Community organizing is no different then marriage in this respect.

Large Group Discussion: If Ms. Eleanor's Youth Art Project existed in your community, who might be some good community partners for the project?

What the Experts Say

Although some nonprofits have the potential to plan, create, and manage profitable business ventures, most of them cannot accomplish these tasks on their own.

To succeed, nonprofits need a marketplace that provides three types of services:

*** Human and organizational capacity development** – opportunities for building capacity in leadership, organizational structure, operations, financial systems, accountability, and planning.

*** Structured and accessible venues for learning** – opportunities for obtaining existing information on business venturing amount nonprofits, learning from the experience of others, and initiating new research and dialogue.

*** Tools and models that serve as market standards** – opportunities for identifying capital options and accessing and leveraging capital, as well as coordinated deal making opportunities for funding and co-investment partnerships,

Enterprising Nonprofits: Revenue Generation in the Nonprofit Sector. (2002)

Social Enterprise

“Social Entrepreneurs are people who attempt to take innovative approaches to social and other issues, most often with the use of traditional business skills applied in order to achieve some type of social goal.”¹⁴ These are the leaders within the nonprofit community that are pursuing revenue-generating ventures. Social Enterprises can be either non-profit or for-profit organizations.

This section is designed to give you feel for what is going on across the United States in respects to social enterprises. We give you a brief profile of who, what, and how successful is income-generation. This should generate the initial stages of self examination for your workgroup: are social enterprise strategies a viable option for your non-profit? We will conclude this workshop by asking ourselves if Ms. Eleanor’s Youth Art Project might be able to incorporate or expand some social enterprise components.

First we are going to review the most extensive study up-to-date on income-generation in the nonprofit sector. The study is *Enterprising Nonprofits: Revenue Generation in the Nonprofit Sector* by Cynthia W. Massarsky and Samantha L. Beinhacker, a joint project by Yale School of Management – The Goldman Sachs Foundation and Partnership on Nonprofit Ventures.

The authors surveyed 519 respondents participants. Of these, 65 percent were currently operating an earned-income venture, or express interest in doing so. There are 42 percent who were currently operating a business enterprise; 53 percent have never operated a venture; and 5 percent had done so in the past, but were not currently. Among the different categories of organizations currently operating an earned-income venture were:

- 60% of the arts and culture organizations
- 47% of the health organizations
- 43% of the health services organizations
- 43% of the public society organizations
- 42% of the environmental groups
- 33% of the educational institutions
- 26% of the religious organizations

¹⁴ *What is social entrepreneurship?* Retrieved from: <http://search.genie.org>



The study states: “Operating a for-profit business has an impact on the nonprofit that goes beyond the bottom line. It also has a positive impact on an organization’s reputation, mission, service and program delivery, entrepreneurial culture, self-sufficiency, and its ability to attract and retain donors and staff. In fact, respondents say they see a halo effects from the business activity such as improving the nonprofit organization’s reputation (80 percent), better delivery of services and program (73 percent), sharpening of its mission (73 percent), and building an entrepreneurial culture (63 percent).”

Top Reasons for Venturing¹⁵

Percent Saying that Venture:	Currently Operating Earned-income Venture	Not Currently Operating Earned-income Venture (But did in the past)
Generates Income/Surplus for Programs	66	61
Moves Organization Towards Self-sufficiency	52	28
Diversifies Revenue Stream	51	28
Services Constituents by Providing Employment/Training/Therapeutic Opportunities	39	50
Generates Positive Community Relations	34	36
Helps to Revitalize the Neighborhood/Community	23	17
Other	9	11

A definite trend in the study is that the agencies more likely to be running in the black (generating surplus income) had the largest staff, biggest budgets, the most financial backing in place, and the most years in the parents organization’s operation. Still, the small nonprofits (less than \$1 million a year budgets and with 0 – 10 employees) fared well with 25% of the ventures generating financial surplus with another 17-20% breaking even. That left 43-45% requiring subsidies in comparison to the 29% ventures with parent organizations with budgets of more than 29+ million.

¹⁵ Table 10. Massarky, Cynthia W., and Beinhacker, Samantha L. (2002) *Enterprising Nonprofits: Revenue Generation in the Nonprofit Sector*. Yale School of Management-The Goldman Sachs Foundation, Partnership on Nonprofit Ventures. Hereby referred to as Yale Study.

Profitability of Venture by Type of Earned-Income Venture¹⁶

Percent Saying	Service-related	Product-related	Cause-related	Renting/Leasing
Venture Requires Subsidy	33	31	34	25
Venture is at Break-even	20	20	14	21
Venture Generates Financial Surplus	35	37	36	50
Other	5	5	7	3
Don't Know/No Answer	7	6	9	2

This study creates a realistic picture of entrepreneurial experiences in the open market place, whether you are a non-profit or not. As a non-profit though, you can incorporate small scale entrepreneurial projects that provide good experiences for your clients, help your organization examine new revenue generation options, and help strengthen your mission. Examples of these strategies that a lot of faith-based organizations use are the pancake dinners, annual jam sales, cookbook sales, and other such activities. These are income generating strategies that can be formalized and incorporated into an overall business plan. By utilizing this information into a resource development plan, your workgroup provides a more accurate picture of your organization. You've probably been entrepreneurs all along. Now, with a new found self awareness, you can start to build an organizational entrepreneurial culture.

No matter how small the project may look good planning is the key to success. "Business planning can have a significant impact on the success and mission of a nonprofit organization. 81 percent of the organizations that have written a business plan say that their ventures have a positive impact on the mission of their organization, as compared to 69 percent without plans. Additionally, 84 percent of organizations operating ventures with business plans say their venture has a significant impact on their ability to deliver services and programs compared with 68 percent without plans."¹⁷ Creating a business plan for your organization can be invaluable whether you decide to create an earned-income venture, or incorporate social enterprising strategies, or not.

¹⁶ Table 7. Yale Study.

¹⁷ Yale Study.

A business plan can take from six months of diligent group work up to two years respectfully. The average document size 15 to 20 pages. There are usually three primary parts: (1) the *business concept* is where you discuss the industry, your business structure, your particular products or services, and how you plan to make your business success; (2) the *marketplace section*, in which you describe and analysis potential customers: who and where they are, what makes them buy and so on. Here, you also describe the competition and how you'll position yourself to beat it; and (3) the *financial section* contains your income and cash flow statement, balance sheet, and other financial ratios, such as break-even analyses. This part may require help from your accountant and a good spreadsheet software program.”¹⁸

Breaking these three major sections down even further, a business plan consists of seven key components:¹⁹

1. Executive Summary
2. Business description
3. Market strategies
4. Competitive analysis
5. Design and development plan
6. Operations and management plan
7. Financial factors

If your workgroup is exploring income-generation during the planning process contentiously ask yourselves these questions:

Organizational Mission and Culture: Is nonprofit enterprise compatible with your mission? If you create an earned income venture, will you the support of your staff, board, funders, members, clients, and others? Will a business venture distract you from what you were founded to do?”

Motivation: What is your current and projected financial status, and how will earned income help you? Are you feeling desperate?”

Nonprofits are venturing!

- * Network of Home-based Machine Knitters
- * Commercial Theatre Production Company
- * Excess Clothing Baling Operation
- * Custodial and Building Maintenance
- * Science Curriculum and Software for Grades K-5
- * Digital Scanning Data Conversion Operation
- * Safety Evaluator of Brand Name Drugs
- * Bakery and Catering Business
- * Health, Property, and Liability Insurance
- * Landscape and Gardening Business
- * Translation and Interpretation Services
- * Certification Process and “Fair Trade” Label
- * Toner Cartridge Remanufacture and Sales
- * Brokerage of Used Medical Equipment and Surplus Office Furniture
- * First Aid Kits and Automatic External Defibrillators

(Yale Study as per footnotes)

¹⁸ Tiffany, Laura. (2001) *An Introduction to Business Plans*. Retrieved from Entrepreneur.com at: <http://www.entrepreneur.com/article/0,4621,287323,00.html>. Hereby referred to as Business Plan.

¹⁹ Business Plan



Risk/Return Trade Off: What are the potential risks and returns in terms of your finances, organization, and reputation? Are you risk-takers?”

Capacity: Do you have a champion who will take responsibility for the work and move the business venture forward? Are you prepared to invest the necessary time and money to do proper analysis, planning, and start-up to meet the demands of the marketplace? And, is it worth it?”

Market Demand: Do you really have a product or service that people would be willing to pay for?”²⁰

Large Group:

Ask yourselves:

- Looking back at Youth Arts Project, are there any social enterprise components in the current program?
- Do you see any areas that the youth could create revenue generation?
- Are there any resources to support their endeavor?
- What would be the steps to take to help ensure the youth have a success experience?

²⁰ Massarkey, Cynthia W. and Beinhacker, Samantha L. (Fall 2002) *Nonprofit Enterprise: Right for You?* The Nonprofit Quarterly: Counting Our Blessings, Volume 9; Issue 3. Retrieved from: <http://www.nonprofitquarterly.org/section/343.html>.

Research & Resources

An Introduction to a Business Plans is short article compiled by Laura Tiffany. The article is a good starting point for business planning. Go to: <http://www.entrepreneur.com/article/0,4621,287323,00.html>.

Chicago Community Ventures website provides linkages to 15 websites that provide extensive resources on social enterprises. Go to: <http://www.chiventures.org/www5/resources.asp?category=14>.

Community Empowerment is a resource available in Spanish, French, and Portuguese. There is not a topic that this website does not cover. They work from community organizing through outcomes to grants to entrepreneurship. This is a train the trainer the workshops with teaching modules and all. Go to: <http://www.scn.org/ip/cds/cmp/site.htm>.

The Community Organizing Toolbox is the excellent resource to describe the impact that effective community organizing can have on a community. Go to: <http://www.nfg.org/cotb/>

Enterprising Nonprofits: Revenue Generation in the Nonprofit Sector written by Cynthia W., Massarky and Samantha L. Beinhacker, is 2002 study of income generation in the nonprofit sector. The study was a partnership Yale School of Management-The Goldman Sachs Foundation, Partnership on Nonprofit Ventures. A PDF file of the study can be found at: http://www.ventures.yale.edu/docs/Enterprising_Nonprofits.pdf.

Nonprofit Genie Website has list of 19 FAQ(s) in response to the question: “What is social entrepreneurship?” It has an excellent scope include answering the questions: “What are reasons for creating nonprofit enterprise? How do I go about starting a nonprofit enterprise? How do we determine what kind of business to start?” Go to: www.genie.org.

Powering Social Change: Lessons on Community Wealth Generation for Nonprofit Sustainability (2003) is a 123 page document by Community Wealth Ventures, Inc. The compilation provides both essays and case studies on social entrepreneurship in the nonprofit sector. A PDF file can be found at: <http://www.communitywealth.org/Powering%20Social%20Change.pdf> or www.communitywealth.com.

Steps for Developing a Nonprofit Strategic Business Plan is an outline of the steps of business planning for nonprofits. Go to: <http://www.scoreknox.org/library/steps.htm>.



V. Conclusion

This manual took your workgroup through a good project assessment. Then, we discussed some of the traditional and non-traditional revenue resources a little more in depth. Each section ended with a list of resources to aid your work group in researching these topics. We hope that this manual in cooperation with the workshop helped to enlighten your organization on creating and implementing a strategic resource research & development plan.