

Western North Carolina Common Grant

2010 Orientation

Orientation Agenda

- **Why the Common Grant?**
 - Grantor Perspective and Grantee Perspective
 - Demonstrating Results: Funder vs. Investor
- **Result-Oriented Applications**
- **Budgeting Format**
- **Recommendations for Success**
- **Elements of the WNC Common Grant**
- **Upcoming Deadlines and Contact Information**

Why the WNC Common Grant?

Grantor Perspective

- Desire by area funding organizations to strengthen the impact of grants
- Effort to demystify and streamline the application process to save nonprofits' time and maximize the “match”
- Common Grant questions can provide a framework for planning effective programs
- Will be used initially by United Way of Asheville/Buncombe and The Community Foundation of WNC; expanded usage over time
- Same format as state-level funders Kate B. Reynolds Charitable Trust, Duke Endowment, Blue Cross Blue Shield of NC; also national level (Citi Foundation, Verizon, American Express, etc.)

Why the WNC Common Grant?

Grantee Perspective

- Similarity of questions and forms makes the application process easier
- Creates a deeper dialogue around projects and strengthens partnership
- Builds the grantee's capacity to define, track and achieve results by asking:
 - 1. How do you define success?**
 - 2. How do you know for sure when success has been achieved?**
 - 3. Throughout the grant period, how do you know that you have enough time and money left to get to the success you have defined?**
- Focuses the reporting process (long-term goal)
- Success and leadership is based on learning and result achievement – not simply activities completed or volume of people served

Demonstrating Results

Shifting from Funder to Investor

FUNDER

- Distributes funds to the types of organizations that align with Foundation mission
- Solicits and grades proposals based on alignment with guidelines, completeness and clarity
- Seeks same information from each applicant regardless of the type of request
- Spends most of the time at the front end making new grants

INVESTOR

- Distributes funds to organizations that can clearly contribute to grantor's defined results
- Asks three questions:
 1. What results are we buying?
 2. What are the chances we'll get them?
 3. Is this the best use of our dollars?
- Distinguishes among investments in direct service, capacity building and planning, and systems change
- Stays in contact with grantee to track progress and provide assistance which informs future investment decisions

Demonstrating Results

Funder to Investor Example

FUNDER

\$25,000 to CDC XYZ to:

**Organize 10 financial
education classes for up to
500 low-income adults**

INVESTOR

\$25,000 to CDC XYZ to:

**Help 250 of the 500 financial
education students we serve
lower their debt levels by
20% and increase their credit
scores by 20%**

Investment Types

Program/Project Grants (Direct Service)

What positive gains will accrue for individual participants, communities or organizations? Projects that work with individual participants to achieve a specific result.

Advocacy Grants (Systems Change)

How will your work inform change on a macro-level, including influencing policy or changing practitioner practices? Projects include applied research and public policy efforts that lead to positive change.

Organizational Development Grants (Capacity Building and Planning) FUTURE

How will your own organizations be different and what will this enable you to do better? Projects include efforts that increase or improve existing capacity to achieve results for those served.

Result-Oriented Applications

Result-Oriented Applications

- Application questions are structured to clarify project results and the project elements required to achieve those results
- Applications include guidance
- Application questions break down information into “bite size” pieces
- Applications are meant to help define results at the start of the grant and will feed follow up reporting

Key Application Elements

- What project **results are you committed to achieving** — meaning outcomes from your efforts?
- How will you know when your results have been achieved? What information or evidence will you use to **verify success**?

Key Application Elements

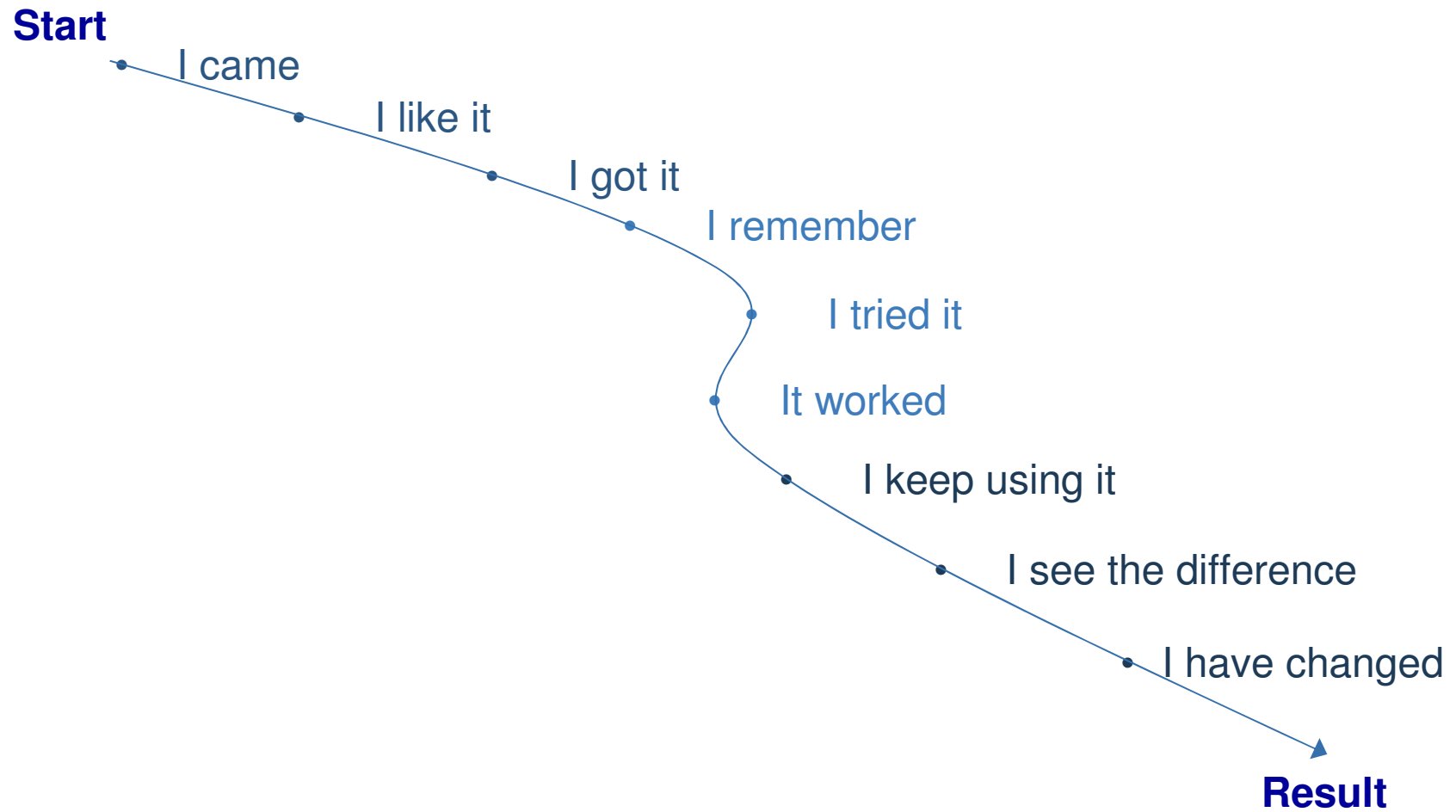
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Defining Project Results

Project Results are:

- Specific changes in core **participant behavior or condition**, which is what applicants commit to achieve in order to justify the investment
- Tangible, verifiable, and within the influence of an applicant

Results Trail



Creating Project Results

Four-Step Process:

- 1) Identify the change(s) in behavior or condition you seek
- 2) Specify the degree of change you consider a success
- 3) Estimate how many participants will be impacted or changed and when
- 4) Express your result by a specific date

Step 1

Identify the kind of change you seek for your core participants

- Comparison to current participant behavior or condition
- Reducing negative behaviors or conditions
- Increasing positive behaviors or conditions

Examples:

- 1) Adults reducing credit and debt problems
- 2) At-risk students improve academic performance and social behavior
- 3) Organizations using energy efficient practices

Step 2

Specify how much change is required for you to consider it a success

A question of degree: How much change? Maintained for how long?

Examples:

- 1) Adults reduce current debt levels by 20% and increasing credit scores by 50 points or more
- 2) 75% of participants in enhanced after-school program improve end-of-grade testing by x points and reduce reported disciplinary actions by at least 50%
- 3) Organizations realize reduction of at least 25% in heating/utility costs as a result of energy efficiency improvements through this project

Step 3

Estimate **how many** of your participants will change as you suggest

- Project results must have a number attached to them to be effective (kind and degree of change is not enough)
- How many do you think will succeed?

Where to look:

- Past experience with other participants
- Level of difficulty of participant
- New and existing participants

Make your projection!

Step 4

Structure Your Result Statement: Direct Service Examples

30 of the 45 families enrolled in our financial education training and case management program will reduce at least 2 major barriers to financial stability which are identified in their individual “case plans” by September, 30, 2010

Of the 250 teenagers enrolled in after-school programs at Bedford Valley High School, 187 will achieve the following by May 31, 2010:

- *End-of-grade test scores increase by X points (from pre-test)*
- *Disciplinary actions reported decreased by 50% or more (from prior year)*

By December 31, 2010, 10 local organizations that received energy audits will install recommended environmentally efficient systems, which are expected to decrease their annual heat/utility bills by 25% or more

Advocacy (Systems Change)

Results are based on changes on a macro-level that may occur over a period of time including:

- Influencing policy or changing practices of policy leaders or practitioners
- Convening to recommend improvements
- Research that improves understanding of successful interventions
- Innovative ideas and thought leadership in a particular area

Examples:

Short-Term – 100 citizens attend convening on the TANF Reauthorization Process. 75% of the participants write their state representatives about needed changes to the TANF program.

Long-Term – WNC delegation of state legislators supports recommended reforms for TANF legislation.

Key Application Elements

- What project **results are you committed to achieving** — meaning outcomes from your efforts?
- How will you know when your results have been achieved? What information or evidence will you use to **verify success**?

Verifying Results *

Evaluation and Reporting

What is it?

- Did you achieve stated results?
- Easier and less costly than conducting evaluations
- Simply a confirmation that a change occurred

Verification Sources

- Existing data or measuring instruments
- Easy to obtain documents
- Observations and reports by others OR in some cases self-reported behaviors

*** Note: Formats for evaluation and reporting differ among Grantors**

Budgeting Format

Budgeting Format

Purpose of the Budget Forms

- Get an understanding of an organization's overall financial health – at present and through multi-year trends.
- Promote a consistent budgeting format and process that helps with planning.
- Show how the proposed program fits within the organization's overall budget.
- Highlight and explain parts of the budget that are unusual.
- Form being adopted in WNC. State and national grantors may have different requirements.

Program and Organization Budget

How to Complete the Excel Form

- A **balanced budget** is required for all proposed programs and the organization operating the program (columns 3 & 6).
- The Excel worksheet is set up to calculate columns. Fill in only the white spaces or boxes.
- Indicate pending funding with an (*).
- Enter the appropriate reporting year above the line noted “m/y – m/y”.

Program and Organization Budget

How to Complete the Excel Form

Column 1 & 4, Prior Year: Provide actuals for the program and organization for the most recently completed year. Should be reflected by audit/review (if completed).

Column 2 & 5, Current Year Approved: Provide information about the program budget and organization budget as approved (or most recently amended) by your Board of Directors for your organization's current fiscal year.

Column 3 & 6, Proposed Year: Provide information about the program's and organization's proposed budget. If the organization budget has not already been established by the board, this should be the best approximation you have at the time of submission.

Budget Narrative

Major Differences in Revenue & Expenditures

- Complete all sections. Spacing can be adjusted, but **all items must be contained on one page**

For the Chart:

- Identify all revenues and expenditures that are expected to increase or decrease by 10% or more OR \$10,000 or more for the program.
- Reference the line item and the amount and percentage change between the Proposed and the Current Year. Provide a concise explanation for the changes listed.

Example: Line 12 (Salaries & Related Expenses) of the organization budget is reduced by \$30,000 (15%) because a position has been eliminated.

Budget Narrative

A-C: Clarifying Unusual Elements

A. For all revenue line items except for lines 1 and 3 for the proposed year, briefly describe the funds marked as pending (*) and describe how secure these funds are.

Examples: Line 2: Request to ABC Foundation will not be awarded until mid-year. They have been strong supporters and requested that we apply again. Line 6: We have been included in the state budget for the past five years but are unsure of next year due to the recession.

B. If applicable, for the proposed year, briefly describe Assistance to Individuals (line 17).

Example: Our proposed program will provide \$100 clothing stipends to the students in our tutoring program.

Budget Narrative

- C. Briefly provide any other information that may help clarify the budget.
Example: Our proposed budget is conservative due to the economic climate. We received 5% less this year from the state and have planned for a similar reduction next year. We have also implemented a new annual fund campaign and have set realistic goals.

Budget Narrative

Other Financial Information: Operating Reserve

An operating reserve is an unrestricted fund balance set aside to stabilize a nonprofit's finances by providing a cushion against future unexpected cash flow shortages, expense or losses.

Our organization maintains an operating reserve: Yes No

This reserve could sustain the organization for (# of months) _____

Program and Organization Budget

Adapt your own financial documents

- Review your budgets and assign the appropriate *Program and Organization Budget line numbers for Revenues and Expenditures* to all your line items. Be consistent across all budgets.
- Add additional line(s) for significant “other” expense only.
- Allocate full costs to individual program budgets.
Use a logical method to determine the % of staffing and overhead to determine the true cost of the proposed program.
Example: 20% of staff time is spent on proposed program and we have used that calculation to allocate 20% of overhead to the program.
- Refer unique questions to Grantor.

Recommendations for Success

Application Review Criteria

- Does the project fall within the **Grantor** guidelines?
- What will be the result from this proposed grant and how will we know it has been achieved?
- How likely is it that the result can be achieved?
- Is this the best possible use of funds given other opportunities before the **Grantor**?

Things to Remember

- Focus on your main participant impact
- Eliminate long narratives
- Help us understand what our funds will do
- Clarify how you will get to the project results
- Use the guidance

Additional Information

Review the individual **Grantor** web site carefully

Pay particular attention to these valuable tools:

- Individual **Grantor** Guidelines
- Project Result information

Elements of the WNC Common Grant

Elements of the WNC Common Grant *

** Items in red are distinct to Grantor*

- **Cover Sheet** (page two is distinct to Grantor source)
- Grantor Guidelines
- **Application Questions**
- **Budget Format**
- Evaluation/Reporting Formats

Next Steps

- Review elements of the WNC Common Grant (this power point and www.nonprofitpathways.org)
- Review web site of specific Grantor (for guidelines, application questions, evaluation information)
- Contact prospective Grantor to discuss your project, get process clarified

Upcoming Deadlines, Contact Info. and Resources

The Community Fdtn. of Western North Carolina – Women for Women

Application Deadline: January 22, 2010

Contact: Virginia Dollar, dollar@cfwnc.org, 828-254-4960 to schedule 30-minute phone discussion with program officer regarding project

United Way of Asheville and Buncombe County – 2010 Community Fund

Timeframe: Required orientation and project approval deadline have passed.
Application deadline is noon on February 5, 2010

Contact: Ron Katz, rkatz@unitedwayabc.org, 828-255-0696

Budget Assistance

Email Kathi Ballard: kathiballard@hotmail.com to schedule 30-minute phone consult (NOTE – This is only available to applicants for CFWNC-WFW and UW through Feb. 5th)

Thank You

... for learning about the WNC Common Grant