



Journey to



Potlatch
Fund

Participant
Workbook

Successful Fundraising

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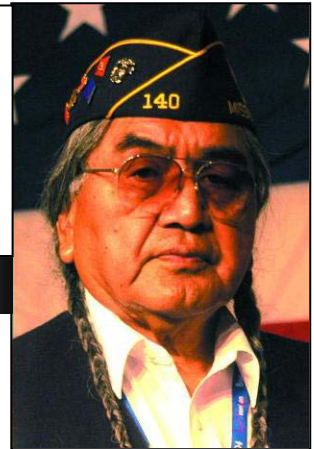
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Welcome and Introduction

Welcome and thank you for attending our Journey to Successful Fundraising workshop! We are excited and happy that you are here to join us in this journey. In the spirit of the potlatch, we ask that you honor tradition by giving of yourself and actively participating in this groundbreaking Northwest program.

Antone Minthorn –Board Member, Potlatch Fund



This Journey to Successful Fundraising workshop will be a first step in our journey and we hope that the more you learn, the more you will want to know. We congratulate you for investing in yourself, and we look forward to an honest and rewarding journey together.

This Journey to Successful Fundraising workshop is designed to help individuals from Native communities who are new to the private foundation fundraising circles. Writing grants for private foundations is different, in many ways, from writing government grants. As you go through the information and participate in the training, you will notice that the steps, definitions, requirements, and tips focus on building relationships. We hope you will learn more about what private funders expect so you can tailor your request accordingly—and attract more resources to your project, organization, or tribe.

What is the Potlatch Fund? Potlatch Fund is both a Native grant making foundation and a Native leadership development program. It was founded by tribal leaders in December 2002 *to inspire and build upon the Native tradition of giving in Northwest Indian Country to promote economic development, natural resource protection, education, cultural preservation, civic participation, and the overall health of Native people and their communities.*

Put succinctly, our aim is to increase philanthropy in Northwest Indian Country. We were created to explore challenges facing Native communities, and to address barriers that limit effective grantmaking in Indian Country.

Native people and Native non-profits will thrive and survive through personal self-confidence and belief in their own community. It is okay to take the time to invest in your own people to resolve decades of local and regional problems. Potlatch Fund believes that by strengthening and empowering Northwest Native individuals, success will follow.

Our goal is to bring resources to where people live, work, and play on a day-to-day basis. We call this our “place-based” approach. We also have a goal of facilitating coaching, mentoring, and leadership development on a long-term basis.

Because the Potlatch Fund is a local tribally led organization made up of leaders that have skills, access to resources, and “real” experience from within Indian Country, Potlatch Fund services will always be here for you.

The Potlatch Fund leadership team has invested years working on the front lines of Native community initiatives and our reward is to give back to our communities! Thank you for taking the time to invest in yourself and community. By working together, we will make our homeland here in the Northwest better for our children and grandchildren.

*In the spirit of the potlatch,
Antone Minthorn*

Purpose of the Training

Overview

Potlatch Fund provides culturally appropriate training, direct technical assistance, and provides donations to increase the capacity of Northwest Native groups and tribes to raise resources to support important work in their communities. There are MANY different fundraising methods—special events, individual gifts, major donors, earned income from the sale of items or services, corporate giving programs, government grants, foundation grants, and more. Successful fundraisers use a combination of several methods to support their projects. This strengthens the ability to “leverage” funding among sources—something many funders require.

Our *Journey to Successful Fundraising* training addresses the basics of fundraising with the goal of building the capacity of Native people to feel confident in writing grant proposals. We want to demystify fundraising and increase the number of grants funded in Northwest Indian Country. Our training combines information sharing, in-class practice, and follow-up coaching to help participants approach prospective funders and learn how to write simple but successful grant proposals to private funders. We cover the basics of proposal writing, including how to identify and build relationships with funders, how to describe your project concisely, how to develop a budget for your project, identify the pieces you will need for a good proposal, and how to coordinate your projects with other tribal organizations.

Need

Native American communities receive approximately 1/2 of one percent of national philanthropic dollars distributed in the U.S. This means that for every \$1,000 awarded; only 50¢ goes to Native communities. This is not due to a lack of need; Native Americans have, as a group, a 25.9 percent poverty rate and a 43 percent unemployment rate, and they suffer from disproportionately low levels of educational attainment and disproportionately high rates of chronic disease. Many tribal members are not familiar with the process of grant writing and do not have relationships with private funders. Many funders are unaware of the needs of Native Americans. By increasing the number of successful grant proposals submitted by Native American groups, we hope to increase the capacity of Native American organizations and tribes to serve their communities.

Goal

The goal of this training is to increase the number of grants funded in Northwest Indian Country.

Objectives

- Participants will gain skills and confidence for writing grant proposals
- Participants will complete a two-day grant writer's training
- Trainers and coaches will be identified to assist participants in completing grants
- Participants will receive resources and coaching to continue the grant writing process
- Participants will identify a next step for their grant writing journey
- Participants will identify their role(s) in the grant writing process
- Participants will gain confidence to ask for assistance and offer their expertise to others
- Group interaction and Native specific case studies will serve to help create a simulated tribal community and participants will be given leadership and follower-ship opportunities

Outcomes/ Results

- All of the participants will improve their ability to develop stronger projects and understand the steps that are necessary to successfully complete and submit a grant application to a foundation
- At least 25% of the participants will complete and submit a proposal to a foundation within six months after completing the training
- The success rate for proposals submitted to private foundations to support work in Northwest Native communities will be increased



Native Youth Dancers at Salmon Homecoming Pow-Wow 2004



Overview of the Journey

Understanding private foundations and corporate funders.

There are immense numbers of private foundations and corporate funders in the United States. Every year they give away billions of dollars to all manners of groups and non profit projects both in the United States and throughout the world.

Unfortunately very little of this money is ear-marked for Indian Country. This is doubly unfortunate as the needs in Indian Country are so pressing. Many of these funders want to fund Indian Country; however they do not receive many grant requests from Native groups. Sometimes they receive the grant requests from Indian Country; however, some problem stops the grant request from being successful.



Native people "pulling together"

On one hand it may seem as if foundations and other funders are being obstructive and that they should just make it easier for Natives to get money. On the other hand the foundations and other funders have so many requests they have to find ways to turn down most of them. The goal of this training is to help you to keep your grant request in the "in pile".

Having said that you should expect two out of every three grant requests to be turned down. Please do not take these declines personally – this is just the nature of the grant writing business.

Please do not see the "decline" decision as a permanent thing. We all aim for our Tribes or our non profits to be around for a long time. A constructively approached decline can be the first step in a very effective granting relationship.

Telling your story

Grant writing is about telling a story. Guess what – Indians are good at telling stories. Some people say that a good story is 80 percent of the grant writing process. If you have a good story then you are already nearly all the way there.

What we will do in this course is to get you to tell your story in the way that foundations and corporate funders like to receive them.

Your stories (and therefore this course) should have the following structure

Story Structure	Program Structure
Who you are - what interests you	Introductions
History - Vision - Mission - Goals - Objectives - Values - Structure	Vision/Mission/Goals/Values Structure
What have you been doing and what are your successes?	Annual reports, budgets, pictures, media, examples, other successes
What are the needs?	Demographics, surveys, crime reports etc
What do you want to do?	Project plan, budget estimates, feasibility studies.
How does the current project link with your Vision/Mission?	Logic
What happens after you get the grant?	Evaluation, tips other resources and other providers

We invite you all to participate in this workshop!

- Identify a project that you can apply learning exercises to throughout this training
- Practice speaking about your project
- Participate in small group discussions and sharing
- Practice writing about your project
- Share information, meet new people, and network
- Ask questions—we are all learners
- Listen to others
- Use your learning goals to support new learning for yourself, others and the Potlatch Fund community

Preparing for the Journey

Writing grant requests to private foundations and corporate funders is easier than you think. Often these types of funders request a two page Letter of Inquiry and they will decide, based on that document only whether your grant request will proceed or not. We will talk about Letters of Inquiry later in this workbook, but the important thing to remember at this stage is that they are not hard to write. If a funder likes your Letter of Inquiry then they will generally ask you to complete a more thorough application. These applications are more complex; however the funder will normally be available to assist you if anything is not clear.

An important thing to remember when you are writing to funders is to keep it simple. If you can describe your group or your project in just a few paragraphs then the funder will appreciate that. Funders are very busy people and reading material that may seem to be “padded” can cause them immense frustration.

The hard part about writing a grant is not the writing. The hard part is the thinking that needs to be undertaken before you even pick up your pencil. Much of this thinking (we guess 80 percent of the thinking) is about you, your organization, your mission, your goals, your history, your legal structure, what you have been doing, your successes (and failures) and what you are trying to achieve.

If you refer to the diagram on page 8 this is all the information above of the bold horizontal line.

The last bit of any grant request (the last 20 percent) is about the project. This is about what you want to use this grant money for, what you hope to achieve with this money, how this project fits into the organization’s mission and how this project helps the funder to achieve their own mission.

This first section of the training focuses on the information above the horizontal line on page 8.

**Youngest Canoe Puller at the
2007 Paddle to Lummi**



Who You Are

This section will help you to prepare for a relationship with funders. You will receive tools that will prove invaluable to the success of your relationships, and ultimately, your grant writing.

We all “know” about the work we do, but when we do it everyday, it becomes part of us and it is not always easy to describe it clearly and concisely to outsiders who may not understand our needs and our community.

If you are a new group then it is worth working through these next few pages to get a better understanding of the kinds of questions that funders will ask you and the kinds of answers that you will need to be able to give them.

Before you even start on the Journey you need to be sure that you are the correct person to be bringing all of this information together. If you are in a large organization, such as say the Lummi Nation, a project might cut across the operations of several departments. In this situation you need to ask yourself whether there is a better person to lead the grant request. We will talk about forming grant writing teams later. At this stage we just want you to think about whether you should be leading this process. Sometimes it may be better to have a person that is more senior to lead the process because they can then command differing departments to work together.

On the other hand more senior people may have less time to devote and they may not share your passion for the project.

If you are in a small group (say Potlatch Fund for example) then it may be a lot clearer that you will be the person responsible for the project.

The important thing to remember here is that there is no single answer to the problem. However, you do need to think about such things because if you are not clear then it will show in your application and a good funder will notice it.

Vision, Mission, Goals, Objectives and Values

Many funders will ask you to articulate your Vision, Mission, Goals, Objectives and Values. This can be very hard to do. We believe that it is useful for your organization to have this information prepared well in advance of any grant writing. We also believe that this information should be updated regularly.

One of the difficulties with all of the above words is that they are used so interchangeably that you may never be sure what statement means what. For example many people use the word Mission when they really mean Vision and vice versa.

We use the following definitions for these terms:

Vision: is the long term result of your project. Often a Vision is a thing that will be not achievable but which you can aspire to achieve. For example – “Our Vision is for a world where no child suffers from the impact of chronic hunger”. A vision statement can be very motivational and can help an organization to stay on track during difficult times.

Mission: is the particular thing that your organization will do to help work towards the achievement of the Vision. If for example we had adopted the above Vision about hunger then there are a whole range of things that we could do to help achieve that Vision. The things that we might do could include very practical things like growing more food. They could also be very high level things like asking the United Nations for a charter on the right not to be hungry. No one organization can undertake such a wide range of activities, so the Mission helps to spell out our

particular piece of the pie. In this example, we might say that “Our Mission is to ensure that Tribal Governments in our region receive good quality information on the incidence and impact of hunger in their regions”.

Goals: spell out the work that we will undertake in the pursuit of the Mission. Missions tend to be longer term activities. Some Missions have a three to five year horizon. Other Missions have been in place for generations. The Goals though tend to have a much shorter duration and are often focused on the work that will happen in the next year. Goals tend to be more concrete. Again using the example of hunger our Goals for the next year might be:

1. Collect demographic information on poverty and children in our region.
2. Analyze the demographic data to build an understanding of the impact of poverty and hunger on children in reservation communities.
3. Visit at least five reservation communities this year to discuss issues around poverty, children and hunger and to also look at innovative programs that deal with these issues.
4. Produce a report that can be sent to Tribal communities on this issue.

Objectives: these break out each of the goals and start to assign tasks to individuals. Often objectives have a very short time frame. For example “Jolene will contact the census department in the next week to order the census data for our region”.

If you start from the bottom up then the idea is that if you successfully complete the Objectives then that will mean that the Goals are also being achieved. Similarly if you successfully complete Goals then the Mission is being achieved and so on and so forth.

The last term that is often used is Values. Values are the guiding principles that govern how you will work. The Mission, Goals and Objectives set out what you will do, the Values set out how you will do those things. Not all organizations have documented Value statements. Many organizations have Value statements that they ignore. Many organizations have Value statements which are not written down but which they absolutely hold to. An example of a Value statement might be “We will respect local traditions wherever we hold our trainings”.

Be prepared to respond to Funders’ questions

Funders may ask you specific questions about your organization that may not seem important to you. It helps to organize the information ahead of time and have it ready as you fly out the door. Above all, it is important to be able to describe your project or plan briefly and clearly. Funders have busy schedules and do not like long winded presentations. They will judge you on the questions you ask of them so prepare “intelligent” questions prior to your meetings. It helps to practice your presentation ahead of time. Be prepared!



Work by Preston Singletary

Common questions that Funders may ask you:

1. **Please provide a brief history of your group.** When funders ask this question they want to know how long your group has been in existence, why was your group created, have you had any major changes in direction, who has been supporting you, does the broader community support your work.
2. **Please provide a brief overview of the activities that you undertake.** This is an opportunity for you to impress the funder with examples of the day to day work that you do. Many organizations tend to undersell the work that they do because it is just the normal stuff that happens day to day. However, this section of an application gives the funder a valuable insight into your world. The work that you are doing with children, for example, may be seem common to you, however it could be inspiring to a funder. In this section do not take anything for granted – this is an opportunity for you to show the funder just how important your day to day operations are. Use third parties to help state your case and add credibility.
3. **Please provide a brief summary of any key accomplishments.** This is an opportunity for you to show off how proud you are about your work. Many of the communities that we work with are reluctant to answer this question as they feel that they may appear to be boastful. This is a problem, as in the funding world the most boastful organizations often get the most attention and also the most money. You therefore need to be really clear and proud of your achievements. At Potlatch Fund for example, we say that we trained 400 people last year and after our trainings they went on to raise \$4m. We need to do this as the funders need to know that if they invest money with us that it will make a real difference to the world.
4. **Identify one thing that is unique about your group.** Many groups struggle with this question because they are not sure what the funder wants to know. For the funder their concern is that there might be a whole bunch of other groups out there doing the same work. Funders spend a lot of time worrying about duplication of services. However, for most of the groups that we work with this is a very easy question – as generally these groups work within the context of a Tribal community and they are the only group providing that service. An example of an answer for this question is “We are the only group on the Lower Elwha reservation that provides services for young people and which also encourages young people to be respectful towards and recognize the wisdom of our elders”.
5. **Your non-profit’s status.** This is often a question that troubles many Native organizations as they themselves may be unclear about their status. Funders are generally only interested in funding organizations. There are six main types of organizations in Indian country these are:
 - a. **an informal organization.** This is a group of people that get together for some common purpose. A walking group may be an example of an informal group. Such a group for example, might meet weekly to go for a walk. The purpose of the group might be fitness and friendship. There may be no need to raise any money at the start of the group, however as the group expands there may be a need for t-shirts and travel funds.

- b. **a formal non-profit organization.** These are groups which have adopted rules to govern their operations, have established bank accounts and often have a formally approved names. In Indian Country there are two main ways to have an organization formalized. These are:
- i. Be approved by a Tribe.
 - ii. Be approved by a State.

Each Tribe and each State should have established their own rules or guidelines for the establishment of a non-profit organization. These rules usually require a constitution or articles of incorporation. These documents set out what you exist to do (e.g. we are a walking group that meets for fitness and friendship); they set out your name (e.g. Rez Walkers). They set out what positions you need to have (e.g. President. Treasurer etc). They set out the process for becoming a member and changing members and they set out a range of other matters which are important to the group.

- c. **A tax exempt formal non-profit organization.** Most funders will only give money to those groups which are tax exempt. If your:
- i. organization has been approved by a Tribe then you can apply for tax exemption under section 7871 of the IRS code.
 - ii. organization has been approved by the State you can apply for tax exemption under section 501(c) (3) of the IRS code.

The tax exemption process can be complex and you will often need professional and/or legal advice to outline the merits of the various options that may be available to you. Many non-profits operate under a fiscal sponsorship arrangement whilst these matters are all being worked out. Potlatch Fund, for example, was fiscally sponsored by a group called Applied Research Center for the first two years of our operation. There are also a few examples of organizations which have been Tribally approved and which have achieved 501(c) (3) tax exemption status. We strongly recommend that you seek professional advice if you wish to pursue this option.

- d. **A Tribe.** Tribes are deemed to be sovereign states in their own rights. Tribes only have this status if they are recognized by the Federal Government. As sovereign states Tribes are deemed to be tax exempt. The advice that we have seen is that there is no legal impediment to a foundation giving a grant to a Tribe however many foundations will not countenance this.
- e. **An arm of the Tribe.** Larger Tribes sometimes have dozens of separate departments. Each of these departments are eligible to be applicants to most foundations. Such departments generally have a more limited scope to operate and authority to act.
- f. **A Tribal subsidiary.** A subsidiary of a Tribe is a completely separate organization which has been established by the Tribe and which accounts to the Tribe. Many Tribes have, for example, established separate companies to undertake business activities. Subsidiaries tend to have limited scopes and limited authorities. In this regard they are similar to departments. On the other hand within those established limitations subsidiaries have much more power to act and respond to the emerging needs.

Exercise: Complete the worksheet that describes your organization. Be as thorough as possible. It is understandable that you may not have all of the information available at this time to complete your worksheet. Once this workshop is over we strongly encourage you to take this worksheet home and complete it. Remember, you will have a stronger advantage with the funder(s) if you show that you know your organization.

Worksheet to Describe Your Organization to Funders

Exercise: At the instructor's direction, complete this form using the project you identified at the beginning of this training.

Name of group or organization:	
Mission or Purpose: General statement	
Brief History: Where are you from? What Tribal community do you represent?	
Activities: What do you do?	
Key accomplishments: Use numbers or success stories or out comes of your efforts.	
One thing that is unique about your group:	
Geographic area served:	
Target population and numbers served:	
Non-profit status (have documents or names and letters: 501(c)(3): fiscal agent/sponsor: 7871 tribal status:	
Tribal governance: (how you work within your tribe)	
Contact person for your group:	
Address:	
Phone:	
E-mail address:	

Asking for Money



Objectives

In this session, you will learn the following:

- Increase your understanding of the grant-writing process.
- Learn how to pursue a grant to fund a group or a project.
- Learn how to form a team to assist you through the whole process.

Marlene White and Patsy Whitefoot (Yakama)

What does the grant writing process look like?

The following is a very quick summary of the grant writing process.

1. There is a need, issue, or opportunity for change.
2. There is an idea for a project ... a vision for change to address the problem.
3. Seek support from key persons or entities. Ask yourself, "Who needs to sign off on potential projects? Tribal chair? Council? Greater community? Potential partners? Will they provide letters of support?"
4. Assemble a team of people who would be helpful to you in developing your project and preparing your proposal. Include someone (which might be you) who can serve as the principal writer and someone who can be the editor.
5. Find out more: Is any one else doing this? Collect facts and stories about the project.
6. Identify funding opportunities and read the guidelines.
7. Call or write the identified funders and tell your story (briefly).
8. Write your objectives and activities.
9. Make a work plan and timeline and include a way to measure your results.
10. Make a budget.
11. Write, rewrite and revise your proposal, then have someone with fresh eyes do a thorough edit.
12. Prepare all of the attachments you need.
13. Submit the grant.
14. When you get the funding, send a thank you letter.

The next several sections of this training will expand on the various steps noted above.



Teaching how it is done

Forming a Strong Grant Writing Team

Fundraising and writing grant proposals can be a big job, sometimes a full-time job. But if you are well organized, focused and efficient, it should not be a daunting task. Nevertheless, it is often a good idea to consider a grant writing team to assist you with your grant.

If you are from a small organization, you probably will not have a full-time fundraiser and will be doing everything yourself. In this scenario, forming a grant writing team can be especially useful!

Selecting the Team

If you are from a larger organization, the team should consist of:

- The Tribal council assigned to the issue of request
- The director of your organization/program;
- The program manager (if not the director);
- Your fiscal officer or agent;
- You as the grant writer; and
- One or two other colleagues to serve as readers and advisors.

If you are a one-person shop, you can still form the same team. You just have to ask others to help you, and they will. If no one on your team is a strong writer, engage the services of someone who can assist you with writing and editing. There is MUCH more to preparing a proposal than the actual writing. Your time might be better spent focusing on developing the project and proposal, rather than worrying about sentence structure, grammar, punctuation, etc.

Exercise: Each participant will need a piece of paper and pencil. Based on the project you selected to use during this training write a list of potential team members who can help you write a grant or grants for this project. (Estimated time: 5 minutes)

Making Team Assignments

- Identify key tasks for the team; Tribal leadership can attend meetings with funders, admin people can help organize attachments, program partners can write letters of support.
- Identify the person(s) responsible for each task.
- Select start-dates for each task.
- Select a due date for each task.

Once you have completed the above, create a simple table or form with the above information AND a blank box to check when the task was completed. See example below:

Project/Team Leader: Carla Two Elks					
Project Name: Three Canyons Interpretive Center					
#	Task	Person Responsible	Start date	Due date	Done date
1	Complete first draft of program narrative.	Ted	6/1/04	6/30/04	6/29/04
2	Develop first draft of budget	Lisa	6/20/04	7/7/04	

Being a Strong Team Leader

As the team leader you have important responsibilities. You want to be as informed about your project as much as possible so that you can provide direction to your team in order to submit a successful, well thought-out proposal in a timely fashion. Important guidelines are:

- Encourage input.
- Ask questions and learn. This should be a fun process.
- Help team members by presenting them with a good draft package of information.
- Teach fellow team members about the process, invite them to meetings.
- As a team leader, be clear about what you are asking your team members to do and give them enough time to do it.
- Encourage your team to put in the effort and time necessary to create outstanding projects and proposals.
- Be organized. Listen attentively to the suggestions your team offers and take them seriously.
- Use the Internet as needed. A wealth of information is simply a click away.
- Make sure your team members feel as if they are contributing to your proposal's success.
- Write simply and clearly. Edit for clarity. Read for understanding.
- Write from a place of authority.
- Make and maintain action lists after meetings.



Canoe Journey 2007

Beginning to Think About Projects

Questions To Ask Before Beginning Any Project

- How does this project fulfill the mission of our organization?
- Do we have the time, space, money, and staff to complete this project? (Administrative Capacity)
- How will this project fit within our organizational structure?
- How does this project fit into our short- or long-term plans?
- What new and unique opportunities does this project offer?
- Are there other groups with more resources or expertise to do this?
- Can we do this alone or do we need help?
- What resources do we need to complete this project?
- Do the board, staff, and community support this project?

Questions To Ask Before Seeking Project Funding

- Does our organization meet the funder's mission and criteria to apply?
- Should we set up a meeting to develop a relationship?
- Do we have the time and staff to complete the proposal?
- Do we have a decent chance to get the funding?
- Looking at the other groups that have been funded—are they comparable to our agency?
- Can we realistically complete the project if funded?
- Can we meet the reporting and documenting requirements of the funder?
- Can we track our income and expenses for the project?
- Can we come up with "matching funds" for the project?
- Will the funder provide technical assistance?
- How will we replace the funding once it is over to continue the programs?
- Are there other funders that we can ask for funding for the same project?

Questions To Ask Before Forming a Coalition or Collaboration to Seek Project Funding

- Can we clearly state the goals, needs, and services of our organization to partners?
- Are we willing to learn more about the goals and needs of the other partners?
- How will this partnership fulfill the mission of our organization?
- Is there mutual respect among all partners?
- What does our agency bring to the collaboration?
- Do the board, administration, and staff all support this partnership?
- Is this something we could not do just as well on our own?
- What will be the long- and short-term benefits of this collaboration for our organization and our community?
- Can we commit a specified number of hours and/or staff to this coalition?
- If we cannot fully collaborate right now, how can we begin to work together more?
- What role do we want to play in collaboration? Who will take the lead?
- Do we need to develop an MOU or MOA to formalize our partnership?

Contact Funders and Begin the Relationship

Objectives:

In this session you will:

- Be prepared to talk knowledgeably about your project with funders.
- Understand the importance of conducting research about your funder.
- Know how to prepare an “elevator talk”.

Now that you have gathered information about your project, the next step is to contact funding sources and begin to tell them what you are doing. After all, private foundations may not know much about what you are doing:

1. It is important that the funder understand clearly who you are, what your organization/program is and what your project is.
2. You should be proud of the work you are doing and let them know about it.
3. You must also educate yourself about the funder. Who are they? What is their mission? How do they like to be approached? *(Note: Later in this training, we include a section about how to get information about funders.)*

In the spirit of the potlatch, fundraising is an exchange with longstanding cultural precedence in Indian Country. You are requesting funds to provide services that are needed. Remember that you have a lot to offer. Private foundations have missions that include, reducing poverty, promoting education, serving underrepresented communities, and empowerment. They cannot fulfill their missions without your work. As partners, you can accomplish a lot and your good work makes your program officer look good.

Fundraising in the private sector is often about relationships. Funders and program officers are people, too, with their own life stories, ambitions, goals, and deadlines. Do not be afraid to talk to them, but be prepared to be brief as they may not have a lot of time. You will need to get prepared for this first step in your relationship building.



Natalie Charley, talking about Potlatch Fund

Getting Information about Funders

To get information about funders you will need to:

1. Research Funders;
2. Contact prospective funders and tell them about your project; and
3. Gather more information about funders.

Each point is described in greater detail below:

1. Research funders

- Using referrals, the Philanthropy NW member's book, or other sources, make a list of potential funders.
- Use the Internet and learn as much about potential funders as you can from their websites. If you do not have Internet access, find someone to help or go the local library.
- Look at their mission, where they fund, what other organizations they have funded, and how much do they fund.
- Look to see if other projects they fund are similar to yours in size and service.
- If you recognize an organization that has been funded, contact this organization and ask them for tips. Ask if they would be willing to share a copy of the proposal they submitted.
- Cross out any funders that do not match your project due to geographical or other limitations.
- Narrow your list to a few good prospects.
- Download and print guidelines and application forms.

2. Contact funders and tell them about your project

- Write a brief letter of inquiry, or call or email those on the list to get more information.
- If you call, you may have an opportunity to tell more of your story.
- Use your 60-second elevator talk.
- Speak or write clearly and concisely.
- Tell about your organization and project briefly.
- Tell them if you have 501(c) (3) status, 7871 status, or a fiscal agent.
- Be prepared to give this information to a voicemail.
- Be sure they have the correct spelling and address of your name and organization.
- Have a pencil ready and write down any information they give you.
- **Pay attention to the funder's advice.**

3. Continue to gather more information from the funders

- If the information is NOT available on a funder's website, request a copy of the application form, grant guidelines, annual report, and a list of previous grants awarded. (They may not have all of this information available to send you.)
- Ask for the name of the program officer who will review your proposal and will serve as your contact person. If this information is not available, or if the response is that the "board of directors" or a "committee" reviews proposals, request the name of the person you should contact for information about submitting a proposal. Get the correct spelling, pronunciation, and title of this person.
- Ask if you can call or email this person if you have questions as you write your proposal.
- Keep asking until you have all of the information you need.
- If they do not respond, they may be busy. Polite reminders are a good idea.
- Contact the program officer directly if possible. Begin to develop a relationship.

Finding a Good Match

Since grant making is a partnership, choose a funder compatible with you. Make sure your mission fits with the funder's mission and that your projects and programs will fall within their missions. Do not try to match your project to their guidelines but look for guidelines that match your proposal. Grant writing takes a lot of time, so you want to pick the funders most likely to fund your project. You do not want to waste your time or the funder's time.

You are creating a partnership, not merely asking for money. Your program needs funds, and you want to find funders that need those programs to fulfill their missions.

1. Look at each funder's website or materials.
2. Look at the mission, target group, and geographical areas.
3. Look to see what other organizations or tribes they have funded. Are they similar to yours?
4. If the funder's guidelines do not match your proposal, cross them off your list.
5. Do not try to match your proposal to their guidelines.
6. Narrow your list.
7. Pick three to five funders that are good bets.
8. If you have questions or are not sure, call the program officer.

Exercise: Go to tools such as "Selected Northwest Foundations" in the Appendix section, and see if any of these foundations match up with your project. Refer to your worksheet that describes your project. Note: Grant writers will need to conduct more thorough research on each of these foundations because while they may sound like a good match, further research may reveal restrictions, eligibility constraints and other barriers to their funds.

List foundations that appear to match your project:

Exercise: Pick one of the funders that you have identified on the previous page and complete the Prospect Worksheet on the following page.

This worksheet helps you to identify whether the funder is a good match for your group or project. Eventually you will be able to start to see potential matches much quicker and this will reduce your need to use this worksheet.

Prospective Funder Research Worksheet

Date:		
Basic Information		
Name		
Address		
Contact Person		
Financial Data		
Total Assets		
Total Grants Paid		
Grant Ranges/Amount Needed		
Period of Funding/Project		
Is Funder a Good Match?	Funder	Your Organization
Subject Focus (list in order of importance)	1.	1.
	2.	2.
	3.	3.
Geographic Limits		
Type(s) of Support		
Population(s) Served		
Type(s) of Recipients		
People (Officers, Donors, Trustees, Staff)		
Application Information		
Does the funder have printed guidelines/application forms?		
Initial Approach (letter of inquiry, formal proposal)		
Deadline(s)		
Board Meeting Date(s)		
Sources of Above Information		
<input type="checkbox"/> 990-PF -- Year:	<input type="checkbox"/> Requested	<input type="checkbox"/> Received
<input type="checkbox"/> Annual Report -- Year:	<input type="checkbox"/> Requested	<input type="checkbox"/> Received
<input type="checkbox"/> Directories/grant indexes		
<input type="checkbox"/> Grantmaker Web site		
Notes:		

The 60-Second “Elevator” Talk

Story telling – The Elevator Talk:

Hi. My name is Heather and I'm with the Potlatch Fund, a northwest regional native non-profit organization. We are committed and passionate about reducing barriers for native people as they try to access private non-profit dollars for their projects.

Did you know that less than 1/2 of 1 percent of philanthropic dollars goes to native communities?

The Potlatch Fund team is aiming to turn this around through innovative leadership development and grantmaking strategies in Northwest Indian Country. I researched a little about your organization and I see you, too, are engaging and funding leadership development strategies.

I'd love to discuss in more detail the positive work we are doing in native communities that's showing great results, and then explore how our organizations can join forces to further this important work. If you're not busy I have some time now. Otherwise, could we have lunch and talk about the projects and goals we have in common. Do you have a favorite restaurant?

Native Americans are good storytellers and, often, our stories take time in order to tell them right. In order to tell our stories to funders, at least in the beginning, we will need to practice telling stories quickly and concisely.

Most funders operate within the time constraints of business culture and, for the first phone call, they may not know enough to become interested in listening to the full story. For this first phone call, we will need to *meet the funder on their cultural grounds*. As the relationship develops, we may be able to educate them more thoroughly and bring them onto our cultural ground.

The Elevator Talk!

An “elevator talk” is a concept that has been around for awhile. It is a brief, practiced speech that takes only a minute or less to deliver. Effective elevator talks capture the audience’s attention so that they are willing to meet with you at a later time.

In order to develop an elevator talk, you must envision, by chance or circumstance, that you are in an elevator with the person you wish to approach for funding. Since it only takes about a minute (or less) to ride the elevator there is extremely limited time to gain their attention with your “talk.” Below are some helpful steps in writing and executing an elevator talk:

- Know who you are presenting to (audience)
- Write a brief (60-second) talk that you could deliver if you met a funder in an elevator.
- Begin the elevator talk with passion and, if possible, a sentence that will generate high interest from your audience.
- Briefly tell about your organization and your project.
- Speak slowly and clearly.
- Tell highlights, not the whole history. (If you peak their interest, you should have more time to tell your full story later.)
- Each of us has different ways of communicating. Find your strengths and write your elevator talk utilizing those strengths.
- Practice the elevator talk as many times as possible: in the shower, driving, washing dishes, with friends or family members, and wherever you have time.

- Use your elevator talk (without notes) to tell funders and interested people about your organization and project.
- Whenever possible, include a “call to action” to create a future meeting or action. *(Example: I'd love to schedule a meeting with you later this week to further discuss this important work. When can we meet?)*
- Your elevator talk does not have to be exactly the same each time.
- Your talk should not be memorized, but you need to know the key points by heart.
- Relax and call funders.
- 60 seconds (110 words)

Exercise:

1. *Select a partner.*
 2. *Each participant will write an elevator talk on the project they identified at the beginning of this training. (10 minutes)*
 3. *At the instructor's direction, the partners will begin practicing their elevator talks on each other. (10 minutes)*
 4. *The instructor will ask several volunteers to present their elevator talk to the class. (10 minutes)*
-



Roger Fernandes at the Potlatch Fund Volunteer Appreciation Event

The Letter of Inquiry

If you are lucky enough to talk to the funder in person, and if they like what you say then they will often ask you to submit a Letter of Inquiry.

Many funders however do not take cold calls requesting money and such funders instead often ask that a Letter of Inquiry be sent in to them in the first instance.

Many applicants see the Letter of Inquiry to be a wasteful step. They would prefer to just submit a full grant request, because a similar level of thinking is required for both processes.

Some funders do not ask for a Letter of Inquiry. They ask instead for a full application to be filed at the outset.

At Potlatch Fund we think the Letter of Inquiry process is valuable. It is our view that Native groups can send out lots of Letters of Inquiry and there is not too much time wasted if a Letter of Inquiry is subsequently turned down. Funders also tend to have a fairly quick turn around with Letters of Inquiry. Many funders will let you know within a few weeks if your request has been unsuccessful or if they would like you to submit a full application. If your request has been unsuccessful then you know that you need to scout around for more funders to fill the gap. If your Letter of Inquiry leads to an invitation to complete a full application then you know that your foot is in the door and that there is likelihood that all of the additional work that is required will have a positive payoff.

Every funder's requirements for a Letter of Inquiry will be slightly different. Most Letters of Inquiry ask for information about your group, your Board, your staff, your finances, your recent history and successes, your project and your budgets. Most Letters of Inquiry are limited to a maximum of two pages plus appendices. The worksheet that you completed earlier in this workbook contains much of the information necessary for a Letter of Inquiry.

You need to stick to the requirements set out by the funder. Some funders are so strict that they will refuse to consider your request if you do not meet the conditions. These days many Letters of Inquiry are completed on line. In such a circumstance the on-line forms are often limited to the number of words that you can use for each section and for the overall Letter.

When writing a Letter of Inquiry, you need to remember that less is more. A Letter of Inquiry is like an appetizer in a restaurant it is supposed to make the reader want to read the full the grant application.

The following are samples of Letters of Inquiry:

Sample 1 – Letter of Inquiry (Project)

January 7, 2002

Ms. Sarah J. Andersen
Grant Consultant, Unity Avenue Foundation
P.O. Box 204
Bayport, MN 55003-0204

Dear Ms. Andersen:

The Spirit of the Salmon Fund of the Columbia River Inter-Tribal Fish Commission (the Commission) seeks support for a two-day celebration of salmon cultures known as **Jammin' for Salmon**. According to the giving guidelines for the Unity Foundation, there is a good match between **Jammin' for Salmon** and your desire to support work for both the environment and Native Americans. The Commission was founded in 1977 by the Yakama Indian Nation, the Confederated Tribes of the Umatilla Indian Reservation, the Nez Perce Tribe and the Confederated Tribes of the Warm Springs Reservation of Oregon as a means for organized inter-tribal representation in regional planning, policy and decision-making. The purpose is – *unity of action in service of the salmon*. The Spirit of the Salmon Fund is a restricted fund of the Commission eligible to receive “qualifiable distributions” from private funders through exercise of Internal Revenue Code 7871, which allows tribes to accept tax deductible donations while maintaining tribal sovereignty. If you would like more information on IRC 7871, we would be happy to send you an educational brochure.

Jammin' for Salmon is a two-day celebration of salmon cultures and a unique opportunity for the citizens of the Northwest to learn about salmon and river restoration and native art and culture. The mission for **Jammin'** is to acknowledge and celebrate our region's efforts and successes in salmon and river restoration, while raising money for salmon restoration and educating a wide range of people how they can personally make a difference. **Jammin'** is designed to have broad appeal for people of all ages, cultures and backgrounds. Through **Jammin'** the Commission is able to foster and maintain relationships with our partners in the region while increasing public awareness of tribal restoration projects and methods to rebuild salmon runs.

Jammin' for Salmon 2002 will be the third annual festival organized by the Commission. It will take place August 4-5, 2002. **Jammin'** offers music and cultural demonstrations, educational booths where participants interact one on one with scientists and conservation specialists working in the field of salmon restoration. **Jammin'** will feature Native American art, an extensive, interactive and educational children's area, boat rides across the Willamette River, a “Taste of Nations” food court and other activities designed to engage and educate the audience.

The Spirit of the Salmon Fund is seeking \$11,000 to defray the cost of renting the Tom McCall Waterfront Park in downtown Portland. The overall budget for the event is \$212,692. The location is essential to attract a broad audience. According to your guidelines, funding decisions are made in August each year. If **Jammin'** sounds like a project that the Unity Foundation would like to support, we would gladly submit a proposal for **Jammin' 2003** if the 2002 timeframe is disagreeable to you. If you have any questions please contact me at (503) 238-3555.

Respectfully,

Cheron McGuffey
Development Associate

Sample 2 – Letter of Inquiry (General Funding)

January 22, 2004

Bob Long
W.K. Kellogg Foundation
One Michigan Avenue East
Battle Creek, MI 49017-4058

Dear Bob,

On behalf of the Potlatch Fund's board, I am honored to introduce you to a new, tribally directed foundation and leadership development organization, which was founded in December 2002 *to inspire and build upon the Native tradition of giving to promote economic development, natural resource protection, education, cultural preservation, civic participation, and the overall health of Native people and their communities.* To achieve our mission, the Potlatch Fund will:

- Establish a tribally directed endowment developed from resources contributed by tribes, foundations, and individual donors.
- Provide and facilitate the distribution of resources, advice, and technical assistance to tribes and other tribally driven organizations that advance the Potlatch Fund's mission and promote self-reliance in Native communities.
- Serve as a bridge that supports collaborative, sustainable relationships among tribes, tribal foundations, other tribally driven organizations, private and corporate foundations, public agencies, and individual donors.

We believe our organization is unique, timely, and directly related to the mission of the W.K. Kellogg Foundation's Philanthropy and Volunteerism program: "to unleash resources by supporting the emergence of new leaders and donors, creating and sharing knowledge, and building tools that advance the effectiveness of the philanthropic sector." We are interested in submitting a proposal to the Kellogg Foundation to support our work.

We would like to discuss the potential of submitting a request for \$350,000 that would both support our grant program development activities and contribute to a pool of resources that allows the Potlatch Fund to begin awarding small grants in 2004. We'd welcome the opportunity to have the small grant funding be offered as a match requiring tribal funding support. This will provide the Potlatch Fund with a "carrot" to take out as we meet with tribes and tribal foundations.

I will phone you in the next couple weeks to discuss the steps you think we should take in developing this proposal. I'd also welcome the opportunity for a face-to-face meeting between you and representatives of the Potlatch Fund's board of directors. I can be reached at 425-673-0749; andrea@potlatchfund.org.

In the spirit of the Potlatch,

Andrea Alexander
President and CEO, Potlatch Fund

Read and Understand the Application

If you believe that a particular funder is a good match for you, or if you have been invited to submit a full application then before you begin writing, you must be a good reader. Each proposal has slightly different guidelines and applications. You will want to read them carefully and make sure you understand them. If you have questions, it is a good idea to call and ask the program officer. Below are guidelines for reading and understanding the application:

- Each foundation has a slightly different format so you must read carefully.
- Read and reread the application form.
- Take notes; use a highlighter.
- Call if you have questions. All questions are good questions!
- Talk to the funder or attend a bidder's conference.
- Take notes on what the program officer tells you.
- **FOLLOW DIRECTIONS CAREFULLY.**
- Look at the deadlines: Do you have enough lead-time to write the proposal? Allow one month if possible. Deadlines are serious.
- Allow time to get the necessary attachments from your tribal office or fiscal agent.
- Discuss the application with your supervisor or fiscal agent to make sure they support the proposal and project.
- Make a clean copy of the application before you begin writing.
- Make a list of all of the parts you will need including attachments.
- If you are working with a team, divide up the jobs.
- Now you can begin to fill out the forms and write.

At the end of your workbook you will find samples of Potlatch Fund grant forms. On our resource CD you will also find a copy of the Philanthropy Northwest common application form.



Lummi Children playing at the Stommish grounds

Writing Your Grant

Proposal Outline

The proposal outline is a short summary of your project. The proposal outline may be very similar to the initial Letter of Inquiry. Some grant applications ask you to enclose a proposal outline as part of the grant request. If a proposal outline is not specifically requested then you should still include one as part of the cover letter to the application. You need to remember that sometimes program officer and funding committees are very busy. Your outline or your cover letter may be the only thing that they read and as such you need to be clear and succinct. The outline/cover letter should include the following areas:

Vision

Your vision guides and inspires your work. It keeps you going in the right direction.

Mission

Your mission states the purpose of your organization. All proposals, goals, and objectives must “fit into” or meet the mission of your organization. It is often helpful to check back to your mission while writing goals and objectives.

Needs Statement

All proposals, goals, and objectives must meet an identified need in the community. This explains why you are writing the proposal. Check back to your needs statement while writing to make sure the goals and objectives meet the needs you have identified. There is a Needs Assessment Form on the following pages of this workbook to help clarify your needs.

Goals and Objectives

The goals and objectives must meet the mission of the organization and identified community needs. They tell what you want to accomplish and exactly what you will do. They spell out what, when, who, how, and how many. They must be clear and realistic.

Timeline

The timeline lists the steps needed to complete your project. It tells when each activity will happen and who will be responsible. Refer to your goals and objectives when writing your timeline and make sure you have included all the steps needed. Be realistic.

Results/Outcomes/Impact

These are different ways of stating what will happen as a result of your project. What changes will your project make and how will you be able to tell that these changes have happened? These must reflect back to the needs identified, the goals and objectives. This sums up why the project is effective. Results should be measurable.

Evaluation

This describes the methods you will use to determine that you are “on track” in achieving your identified, measurable results. Most evaluations do not need to be expensive. Most do not require hiring some professional evaluator. Plan to evaluate your progress part way through a project, at the end of a project, and in some cases, also identify a later timeframe when you will assess long-term impacts. Evaluations encourage you to conduct an objective examination of the activities you are doing and to make “corrections” along the way that will improve the likelihood for success.

Support Materials

Some funders request additional support materials. Choose materials that show the need, the mission of the organization, the strengths of the organization, and how this project will meet the stated community need.

Budget

What resources do you need to pay for your project? What are the specific costs? How many staff members? How many stamps? The budget must reflect back to the goals and objectives. Be realistic.

Stating the Need for Your Project

When we are working closely with our communities, we assume everyone knows there is a need and sees it as clearly as we do. In writing grant proposals, state the need for your project clearly and support it with some statistics. Sometimes the need can be seen as an opportunity for change. This is a good thing to point out in a proposal. It is important to show that the community feels there is a need or opportunity and that it is possible to accomplish in the time you have. Remember that it is the need in the community you are talking about not your need for money or staff or buildings to run the project. Questions you should ask yourself are:

- What is the problem you are trying to solve or opportunity you are trying to seize?
- How do you know this problem or opportunity exists?
- Do not assume everybody knows about this problem.
- Take the time to convey what you know about this problem to the funders.
- Select a few key statistics to document the problem or opportunity in the proposal. If you feel you want to have more statistics, put them in the appendix. You can use statistics from the U.S. Census, schools, health departments, juvenile courts, United Way, or other sources like the Bureau of Indian Affairs related to the problem being addressed.
- You can include a story or pictures, or newspaper articles to demonstrate the need.
- You can quote academic studies to support the need.
- Is any one else addressing this problem? (It is important to be honest.)
- Why should your organization address this problem? How will you work with others?
- Does the community feel this is a good opportunity or need?
- Can you address the problem in the time and with the resources you are requesting?

Taking an “Asset-Based” Approach

Today philanthropists are looking at community change in different ways. While many foundations still want to know what your needs are, they also want to know that you are willing to contribute your assets toward the project. An “asset-based” approach assumes that communities will ask questions like, “What assets/resources can we contribute already to the project? In what ways can our community and partners come together to accomplish parts of the project?”

This “asset-based” approach looks at the glass as “half-full” rather than half-empty, and it changes the mindset of community members from the hopeless belief that their community is a deficit to the idea that they have assets and abilities and they now need to look outside of their community to build upon those assets and abilities

“Instead of focusing on a community’s needs, deficiencies and problems, asset-based community development helps them become stronger and more self-reliant by discovering, mapping and mobilizing all their local assets.” - Co-Intelligence Institute Website

When writing your proposal, be sure to not only identify your needs, but describe the community’s past efforts to make change and the resources/assets they have to contribute toward this change.

Needs Assessment Form

Exercise: Complete a needs assessment for your project at the direction of your instructor.

Project: _____ Prepared by: _____	
Name of tribe, community, or group:	
Geographic location:	
Demographics: numbers, ages, poverty level, ethnicity etc.	
What is the need or problem or opportunity you will address?	
How do you know the community feels this is a need?	
What are some statistics to address the need?	
Identify a story to support the need	
Research articles and reports to support the need	
How will you address the problem?	
What are your group's skills in addressing this problem or opportunity?	
Who else will you work with?	

Project Profile/Planning Worksheet

The following worksheet helps you to get clearer about the broad nature and purpose of your project.

1. IN ONE SENTENCE, describe your project idea. What will you do? Where? With whom? When? And why?	
2. What broad categories of community needs or opportunities does your project address? Think in terms of general labels or frames (poverty reduction, cultural awareness, community facilities, parent involvement)	
3. Describe the specific need or issue in your community that your project will address	In our community, the current situation is this:
4. What specific changes or outcomes do you intend to achieve in your community as a result of your project? (Describe specific outcomes and how your project will forward either Tribal Council Priorities or Community Benchmarks)	We intend to achieve the following specific outcomes:
5. What are the major steps you will need to take to make these changes happen?	
6. What resources will you need to accomplish these steps? (People, equipment, materials, training, supplies, etc.)	
7. Approximate total cost:	\$ _____
8. Who else has a vested interest in working with you as partners on this problem or opportunity?	
9. What information, tools, data, etc. will you use to decide whether your project succeeded?	
Submitted by:	Phone: _____ Date: _____

Worksheet: Developing Activities, Timelines and Work Plan

Community Need the Project will Address: _____

Anticipated Outcome of Project: _____

Key Steps to achieve the project	Activities	Timeline/ Persons Responsible	Expected Results

Sample Worksheet: Developing Activities, Timelines and Work Plan

Community Need the Project will Address: Poor dental health of children

Anticipated Outcome of Project: No children with rotten teeth

Key Steps to achieve the project	Activities	Timeline/ Persons Responsible	Expected Results
Collect data on numbers of children on the reservation	1. Demographic department to provide statistics on numbers.	RedWolf by March.	We know the numbers that we need to work with.
Survey a sample of children with a dental technician to establish base line need	1. Volunteers to be recruited and trained. 2. Dental technician to be recruited. 3. Survey to be designed. 4. Survey to be undertaken.	1. Dental tech hired by March. 2. Justin to recruit vols 3. Training and surveys by May.	We know the extent of problems.
Run a five week program in all pre-schools, day cares and elementary schools about teeth care	1. Volunteers with Dental tech to identify all sites and agree training programs. 2. Training programs to happen for 2 hours per week at every location.	1. Vols and tech to identify site. 2. Vols and tech to complete program by July.	Children will learn and get excited about dental care
Provide tooth brushes and tooth past to all children	1. Work with Washington Dental services to find suppliers. 2. Equipment to children during trainings.	Marc to work with WDS and locate supplies.	The equipment will encourage better self care.
Bring dental caravan to reservation every three months – aim for all children to be seen twice a year	1. Washington Dental Services.	Committee to organize with WDS by June	All existing problems will be dealt with over a one year cycle.
Fluoridate reservations water supply	1. Negotiate with Tribe.	Commence negotiations following survey.	There will be a long term improvement.

Budgets

Why do you need a budget?

The budget is the estimated financial plan. This document includes the expenses that you anticipate to incur for a specified period of time along with the earned income that will be generated. It clearly delineates the cost to be met by the funding source and those provided by other parties. It is a reflection of the essential components in the grant narrative. The budget is used to support the program or project activities with costs that are reasonable in relation to the objectives. It also serves as an effective management plan to ensure proper and efficient project administration. Additionally, it provides evidence that administrative costs constitute a minimum proportion of the total program or project costs. The budget is your best estimate of the total costs.

The budget is one of the most important considerations of the proposal. Funders have a checklist that is used for reviewing each proposal, including specific guidelines for the budget and finance. The funder's point of view should be represented and respected.

The basic essentials of the budget

- It is consistent with the proposal narrative including long-term goals, medium-term goals, and short-term goals.
- It is detailed in all aspects.
- It includes all items asked of the funding sources.
- It includes all items paid for by other sources
- It details fringe benefits separate from salaries.
- It includes the cost for all consultants.
- It separately details all non-personnel costs.
- It includes indirect costs where appropriate.
- It is sufficient to perform the tasks described in the proposal narrative.
- It includes a budget narrative that explains the numbers in the budget.
- The total amount meets the requirement of the funding organization.

Suggested budget line items

The typical elements of a budget include a list of expenses and revenue. The following is a list of suggested budget line items consistent with grants:

Personnel. Full-time and Part-time

Payroll Taxes + Fringe Benefits= 9-15%. Fringe Benefits include FICA, Pension, Health Insurance, and Worker's Compensation.

Travel

Equipment

Supplies

Contract Services/Professional Fees

Staff/Board Development

Construction

Other (This should be a small percentage of the total budget.)

Total Direct Charges

Indirect Charges (Also called Overhead)

Total Budget (Direct plus Indirect)

During the training we will help you convert your stories into budgets.

The budget is a tool for monitoring the actual finances on a monthly, quarterly, and annual basis. When the proposal is approved, the budget is an agreement to comply with the estimated line item amounts. The administrator and finance staff must analyze the actual expenditures and compare it to the budgeted amounts to assure compliance.

Budget Deviations

Any deviations that are under the budgeted amount or over the budget amount need to be substantiated. For example, there is \$5,000 budgeted for Contractual Services for the year, but only \$1,000 will actually be spent. A request for a *budget modification* to adjust the line item in exchange with another line item is necessary. NOTE: If there are major deviations from the budget, the program or project will be in jeopardy of receiving funds in the future from the funding source.

Writing the Budget

Every proposal will need to have a budget. To write the budget you will need to figure out exactly what you want to do and how much it will cost. You will need a spreadsheet program, calculator, or adding machine. This is a critical part of the proposal and takes time to figure it out and write it up:

- **Give yourself enough time to write the budget.**
- Budgets translate project pieces into a fiscal picture for the funder.
- Many funders will look to the budget to understand your proposal.
- Budgets clarify for the funder what you intend to do.
- Budgets show how you will use the money to carry out your project.
- Budgets prove your organization's management capability.
- Budget information defends your project to the funder.
- Put all relevant budget information on the budget page.

Budget Tips

- **Do not leave the budget to the last!**
- Allow plenty of time!
- Ask for help from your bookkeeper or director.
- Take notes on how you get your figures.
- Do budget worksheets.
- Use a spreadsheet program, calculator, or adding machine.
- Go over your figures for accuracy. Have someone else check the budget.
- Do not forget to include everything you will need to complete your project.
- Make your budget realistic.
- Do not underestimate or overestimate costs, use what it will really cost you.
- Keep records, staple all of your budget work together, and put it in a file.
- You may be asked to defend your budget to a funder and to explain the costs.
- When you get funding, you will have to follow the budget so make sure it is realistic and reflects the actual costs.



Canoe Journey 2007

Budget Planning

In order to plan the costs of your project, you will need to think through how you will complete your entire project.

- What does it take to complete your project?

My project will last_____months.

My project will begin on_____and end on_____.

My project will serve_____people.

My total project cost will be_____.

- To complete my project, I will need: (list everything you need)
 - Human resources: (staff) How many people? How many full-time? How many part-time? What is the usual salary for the position(s). How many hours? How much per hour?
 - Space: Rent? How much? How long?
 - Direct program costs: (supplies, mileage, phone, materials, etc.) How many miles? What rate per mile? How many phones? Long distance? How much paper? How much sports equipment?
 - Program administrative support: (bookkeeping, organizational costs, etc.) fiscal sponsor fee, overhead costs.

Building a Budget Worksheet

Revenue/Income Sources	Anticipated	Committed	Total
Contributed Income			
Foundations			
Public Funds			
Tribal Foundations			
In-kind contributions			
Total Contributed Income			
Earned Income			
Client fees			
Membership Dues			
Contract Services			
Publications and Products			
Ticket Sales			
Organization Income			
Total Earned Income			
Total Income			
Expenses			
Personnel Costs			
Payroll Taxes & Fringe Benefits			
Contract Services/ Professional Fees			
Office Space			
Equipment/Supplies			
Staff/Board Development			
Travel/Related Expenses			
Telecom/Internet			
Printing			
Meetings and Conferences			
Dues and Memberships			
Postage			
Office equipment and software			
Finance/bank charges			
Indirect Costs			
Other Costs			
Total Expenses			
Excess (Deficiency)			

Budget Narrative

Budget narratives, or budget justifications, describe the budget in words and justify the expenditures, item by item. In a narrative, you will relate each budget item to the activity it supports. One sentence is usually enough for each item: personnel and fringe benefits, consultants, supplies, and equipment etc. Describe and quantify in-kind contributions (volunteer time by non-employees, donated materials, services, or equipment) in the budget narrative. Funders like seeing that you have in-kind support as this is another way of seeing general community support for your project. Budgets are the primary story for some of the funders. Note that the competitive factor can be the budget.

For example:

Budget Item	Explanation	Year 1	Year 2	Year 3
Personnel	1 Program Manager, with Standard 3% annual increase	\$35,000	\$36,050	\$37,131

MATCHING FUNDS Definition

It is unlikely that you will be able to start without putting some of your own cash into it. Few start-up organizations are 100% financed. There really is no free lunch. The very first thing investors want to see is what you are investing your own resources into your project. This could be an investment in hard dollars or some evidence of how your own sweat equity will make the organization more valuable. Few funders are likely to throw in some funds unless your organization has demonstrated its' commitment by investing in itself.

There are resources, of course. Many organizations successfully start with funds from philanthropist sources or personal friends. This could be either a loan or a donation. Either way, make sure that it is documented in the records.

Resources:

www.irs.gov (information about independent contractor status and personnel)

www.sba.gov

www.startupnation.org

www.nacseattle.org Non-Profit Assistance Center.



**Painted Sky Dancers
Men's Grass and Women's Fancy Shawl**

Attachments you will need for your proposal

Some proposals require specific attachments. These are documents that you will need to include in your proposal. This will take some time, so begin early in the process. You will need to get these from co-workers and they will appreciate some time as well as reminders. Be sure to read the grant guidelines carefully to see which attachments you will need. Make copies and keep them in a file, so you will have them for the next proposal. Some common attachments required:

- Verification of tax-exempt status:
 - You can get this from your treasurer or director.
 - 501(c) (3) letter of determination from the IRS for non-profit organizations.
 - 7871 letter of determination from the IRS for tribal organizations.
 - Letter of fiscal sponsorship from an organization that has one of the above.
- List of current board members.
 - Include member affiliations, gender, tribe, and any other pertinent information.
- List of key organizational staff, including titles and main functions.
- IRS Form 990 (if available).
 - You can get this from your board treasurer or bookkeeper.
 - Smaller organizations do not have to file this and may not have one.
- Most recent audited financial statement (if available).
 - Smaller organizations do not have audited statements.
 - You can ask your board treasurer or bookkeeper.
- A one-page summary of actual income and expenses for the past two complete years.
 - This is for your entire organization or sponsoring organization.
 - Your treasurer or bookkeeper will have this.
- A one-page listing of funding sources and amounts received from these sources over the past two years.
 - This is for your entire organization or sponsoring organization.
 - Your treasurer or bookkeeper will have this.
- Organization's current year operating budget.
 - Your director or treasurer will have this.
 - This is for the entire organization.
- A detailed budget of the project for which funds are being sought (if applicable).
 - This is for the project you are describing and will be the budget you developed.
- If the project for which you are seeking funds is collaboration with other agencies, include letters or other documentation from the collaborating agencies.

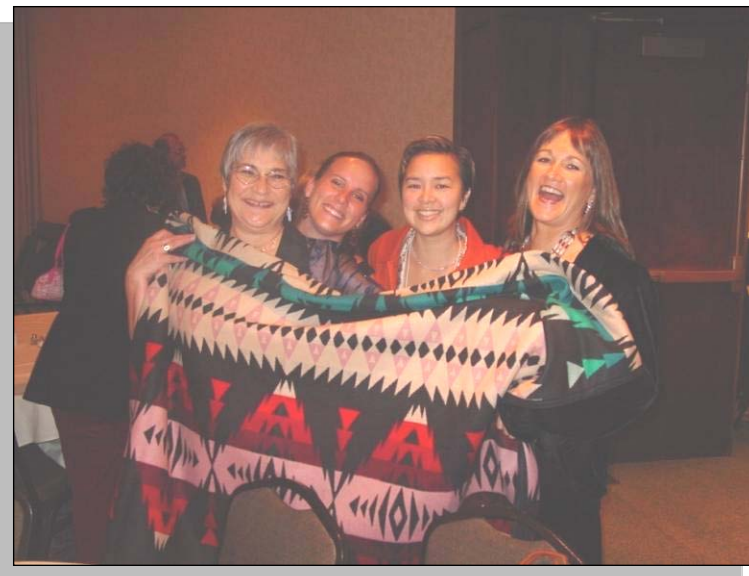


Welcoming the canoes to Lummi 2007

Reporting and Record Keeping

Once you receive funding, it is important to carry out the project well and document your work. We are all very busy and often do not take the time to write reports or keep good records. You will need to report progress to your funders. Set up a system to keep good records and document your work. This will ensure future funding as well as program continuity.

- Keep attendance records.
- Create files for your grants and projects.
- Keep a log of meetings and activities.
- Record volunteer time and activity.
- Keep good financial records.
- Take minutes at meetings.
- Take photos of project activities.
- Keep a portfolio of project work.
- Invite funders to celebrations or to visit your project.



Colleen Jollie, Megan Beeby, Annie Clark, and Susan Balbas - Potlatch Fund Gala

How we file our grants

During the training we will share with you how we keep records of all the grants that we receive. Our system is not necessarily the best, however all staff understands how it works and we can go to our grants file at any time and easily see when grant reports and payments are due. We always keep the funders guidelines, our grant application, the funder's letter of approval and grant contract, records of grants received and all grant reports. These are filed sequentially in a folder so that you can always find out what was said/promised. On the index card of the folder we record all the key dates so that we never miss a grant reporting deadline.

You are welcome to use our system or develop your own. The important thing is that you need a clear system so that anyone else can take over if they have to.

Results, Outcomes, and Evaluation

Once you receive the funds to implement your program, it is very important to document the results of your work. You have formed a partnership with the funder. They will want to see the accomplishments and feel that they have been a part of them. Remember they are not with you every day and may not easily see what a difference your work is making. It is important to take time to document how the work is making changes for your community. It is important that others know how much you are accomplishing. It is also nice to invite funders to visit your program and especially attend graduations or celebrations.

To begin the thought processes of outcomes and results, ask yourself:

- **What has changed as a result of the work you have done?**
- **How do you know this?**
- **How can you show this to others?**

To show outcomes and results, you will need to keep ongoing records and document your program's activities. It is easier to keep this information as you go than to recreate it at the end of the program.

There are two ways to measure outcomes or results and it is important to include both.

Quantitative Results/Outcomes:

These are numbers – things you can point to or count. Keep track of how many people attended, how many sessions, etc. You will need a system to collect information. You may need to show the records to back up your numbers.

- How many more kids have joined sports teams?
 - Sign in sheets.
 - Before and after numbers.
- How many more community members learned the basics of your language?
 - Attendance records.
 - Before and after numbers.
 - Pre and post tests.
 - Portfolios of student work.
 - Recordings of stories, dialogs in Native language.

Qualitative Results/Outcomes:

These are things that have changed but you cannot count them or point to them. They are intangible. They are harder to measure but they are very important. Much of community work relates to the quality of life of community members. This measures what changes in attitude, hope, and self-confidence have occurred.

- As a result of more kids joining sports teams, youth are more engaged, community involvement is increased, youth crime rates decrease, etc.
 - Newspaper articles, photos, and related proof.
 - Interviews or stories by youth, stories by parents, teachers, and related stories.
- As a result of more community members learning the language, cultural pride is restored and youth are more interested in culture.
 - Interviews with elders, parents, and youth as well as teachers.
 - Photos and examples of storytelling, books, lessons.
 -

Leverage/ Influence:

It is useful to think about what other programs or activities have come about as a result of your project. These are the things that your program has been able to leverage or influence as a result of your activities. This shows the far-reaching effects of small amounts of funding. A small project can start a large movement. Funders like to know that their funds have leveraged something larger.

- As a result of our first youth basketball program:
 - The school has started a soccer program for youth.
 - XYZ Foundation has agreed to fund an expansion program.
 - Parents have raised XXX dollars selling beverages and snacks at the games. These funds will go for uniforms.
- As a result of our first community Native language class:
 - 5 elders have volunteered to teach the youth.
 - A group of youth and elders are recording stories for school use.
 - Our tribe is developing a book of stories to publish.
 - The college will begin a credit class in our language.



Salmon Homecoming Pow-wow

Help on Your Journey

Final Tips for Grant Writers

- Never submit your first draft of a proposal. It will show.
- Plan ahead - writing a grant takes time.
- Talk to funders. Build relationships, ask questions.
- Do your homework and find out as much as you can about funders.
- Do not be discouraged. Try and try again. A 30% success rate is excellent in grant writing!
- Expect to write, rewrite and rewrite.
- Keep it short and simple.
- Ask for help.
- Read and reread guideline backwards, forwards, and sideways.
- Get to know the funders - they are people too.
- Ask others to read and critique your draft proposal.
- Avoid jargon, use simple language.
- Proofread and use spell check.
- Do not assume the funders know anything about you, your tribe, or your project.
- Follow directions exactly.
- Deadlines are important.
- Do not leave the budget until the end! It will take time.
- Gather all the attachments you need early, this also takes time.
- Make a copy for yourself and file it correctly before you send it in.
- Be sure your name, address, and contact information is on the grant.
- Write a thank you note if you get funded. Call and ask why if you do not.

Assistance from Local and Community Businesses

What Can Local and Community Businesses Do For Your Organization?

1. Ask business leaders to serve on your board.
2. Ask businesses for a product to give away as a fundraiser.
3. Ask businesses to display your brochures.
4. Ask businesses for donations of money or office supplies.
5. Ask businesses for volunteers.
6. Ask businesses to donate in-kind costs such as printing.
7. Ask businesses to underwrite a specific program or event.

What Can Your Organization Give Back to Local Businesses?

1. Acknowledge them in your brochures or newsletters.
2. Provide opportunity for community involvement.
3. Honor them at a reception or fundraiser.
4. Invite them to events at your organization.



Welcoming the canoes ashore – Canoe Journey 2006

Examples of Successful Grant Journeys

Sample: Two-page Grant Proposal - Basket weavers

February 27, 1997

Valorie Johnson
W. K Kellogg Foundation
One Michigan Avenue
Battle Creek, MI 49017-4058

Dear Ms. Johnson,

Thank you very much for your encouraging letter. It will help us gain further support for the Northwest Native American Basket weavers Association from other sources. The W. K. Kellogg Foundation is doing an exemplary job of promoting Native American communities especially in the area of education. Your leadership will hopefully create opportunities for Native Americans that have not been available generally through private sector support. Our 501(c) (3) status with the Internal Revenue Service is pending and should be processed by the first of May, 1997.

Your help will bring us closer to our goals. Our community-based programs fall outside the usual classroom methods to pass on cultural traditions and family values, but *they work*. Teaching by example, mentoring, has worked for centuries and is a method that our Basketweaver's Association is striving to regain as a way of bringing our communities, youth, and elders back together. Through our traditions and art we are strengthening the fabric of our own native society. NNABA is, "helping people help themselves through the practical application of knowledge and resources to improve their quality of life and that of future generations." NNABA's and W. K. Kellogg's goals match very well.

The Northwest Native American Basket weavers Association may not seem like a systemic approach to changing our world, but collectively we are part of a wider group. Even though we are not in the public schools, we are working in the native communities. We have work in common with the California Indian Basket weavers Association, a Southwest Indian basket weaver's group that is presently forming an association, and weavers in the Midwest, Northeast, Alaska, and internationally. Three of our members are in New Zealand attending an international Indigenous Basket weavers Gathering. Pat Gold and Anna Jefferson, both master weavers, are presenters - and mentors - for Marla DuPuis, our student intern. Marla is enrolled in the Native American Studies Program at The Evergreen State College. She is a member of the Hazel Pete family, renowned basketry artists, of the Chehalis Tribe.

It is a goal of the Northwest Native American Basket weavers Association to bring representatives from other parts of the world to our Annual Gathering in October, 1997. In this way we will build a wider community through our shared art form, teaching and learning from one another, personally. The California Indian Basket weavers Association has received funding from the National Endowment for the Arts to plan a western Regional Gathering in the year 2000. We hope to be organized well enough by then to fully participate as a co-producer of the event.

Our start-up (organizing) budget supports an administrator, and 1/2 time office staff, equips an office, provides a quarterly newsletter, and brings the board of directors together for planning meetings four times a year. The main program that brought the group together in the first place, the Annual Gathering, has been funded through a grant from the National Endowment for the Arts. The Pew Charitable Trust and the Ruth Mott Fund are also contributing to our event this year. Your

contribution will help us form the organization and reach out to Native American communities across the Northwest — Washington, Oregon, Idaho — and bring special guests from Maine, Michigan, Oklahoma, Arizona, Nevada, California, Alaska, and perhaps even New Zealand and Australia.

The attached Development Budget page lists donors with amounts that have been secured for specific purposes. The Potential Funders list is an example of how monies may be applied to match secured funds and to fit with potential funder's guidelines. If a program or line item does not meet funder's interests or parameters, adjustments and negotiations are possible. Staffing is critical to establish a viable organization. This need must be addressed first. Equipment to set up the office is also important, and donors are being approached for specific gifts, i.e. computers.

Your letter will help us gain further support locally, with Indian tribes, casinos, and organizations, as well as other foundations to build our administrative capacity. If you are in the Northwest, please let me know. I would be happy to arrange a meeting for you with our executive committee. Thank you for whatever support you can send.

Sincerely,

Colleen Ray,
Executive Director

Attachment: Development Budget

Enclosures: Articles of Incorporation, State Registration, Newsletter, News Article,
501(c) (3) status pending, letter will be available in May, 1997

Sample: Grant Proposal to a Tribe

Puyallup Tribe of Indians
2002 East 28th Street
Tacoma, WA 98404

02/10/99

Dear Council Member,

The purpose of the Northwest Native American Basket weavers Association is to preserve, promote and perpetuate traditional and contemporary Northwest Native American basketry. We believe that the Puyallup Tribe and NNABA have common interests in the strong basketry traditions of our community. We hope that the Puyallup Tribe will help our association become a strong source of support to the weavers with a donation of \$5,000.00. Help us fill the basket for our weavers.

Basketry is a cultural expression that can play an important role in many areas of tribal programs and activities - cultural preservation, traditional arts, economic and community development, ecology, natural resources, and social and educational programs for tribal members of all ages. NNABA was formed to address the following concerns identified by the basket makers:

1. To continue to recognize and honor basket makers who practice and pass on their traditions within their communities, and to promote public knowledge about the richness and diversity of the Northwest's native basketry traditions.
2. To address the issues that threaten the ongoing practice of these traditions; including treaty rights, permits, scarcity of resources, passing on the traditions and authenticity of designs, techniques, and styles.
3. To assist basket makers in developing marketing skills; to provide technical and professional assistance in creating promotional materials; and, creating and identifying opportunities to bring their work to the marketplace.
4. To continue the dialogue that was begun at the first gathering between Native American weavers and representatives of federal, state, and local natural resource agencies, such as the National Park Service, the U.S. Forest Service, and the Bureau of Land Management to ensure a viable and accessible source of traditional materials.
5. To provide opportunities for teaching fellowships, subsidized workshops, and funding assistance to attend professional development activities.

There are many ways that the Puyallup Tribe can help:

1. Recognize that basket weavers and their art are a crucial link to cultural revitalization.
2. Make a substantial cash contribution to NNABA.
3. Send support letters to help us in our fundraising campaigns.
4. Sponsor classes, exhibits, and sales to directly support weavers at home.
5. Sponsor a delegation of weavers from your tribe to attend the annual event on the first weekend of October. This year it is scheduled in Bellingham. It costs approximately \$400 per person for travel, room, and meals for the entire weekend.

Our need is urgent. Our development budget is attached to this letter of request. Start-up costs and administration are the most expensive aspects of creating the organization. Fundraising efforts have been successful for the Gathering, but will only cover approximately half of our operating costs.

Funding for our 1999 Annual Gathering will, once again, likely be provided by the National Endowment for the Arts and the Fund for Folk Culture. In addition to the donors listed above and the Northwest tribes, we are also approaching the U. S. Forest Service, the Kellogg Foundation, the Northwest Area Foundation, the Bullitt Foundation, and the Lannan Foundation. They all have a

history of giving to projects like ours. Your contribution and letter of support will encourage others to follow your lead.

We are also producing a book that is the result of professional portraits and interviews taken at the previous gatherings. It promises to be a stunning portrayal of thirty master weavers, primarily elders, recounting their personal experiences with the art, and some of the critical issues they face today. These are perspectives that are not covered in other books about the art of Native American Basketry. The book will help us be self-supporting in the future. We would like to continue to publish a series as the work of the organization matures and expands.

Thank you for your consideration of our request. I can be reached at (360) 786-0538. I would be delighted for a chance to talk with you about our group and the wonderful work we are doing. I can also provide slides for your group to see the beauty of our basket weavers and their art.

Sincerely,

Colleen Ray, MPA
Executive Director

Karen
Vice President
Board of Directors

Peters

Attachments: Development Budget, Newsletter w/Membership form, 1998 Gathering Program

Resources: Other Useful Website Addresses

General philanthropic websites

Philanthropy Northwest	www.philanthropynw.org
GrantStation	www.grantstation.com
National Network of Grantmakers	www.nng.org
Foundation Center	www.foundationcenter.org
Nonprofit Association of Oregon	www.nonprofitoregon.org
Northwest Nonprofit Resources	www.indra.com/nnr
Grantsmanship Center	www.tgci.com
Chronicle of Philanthropy	www.philanthropy.com
Council on Foundations	www.cof.org
WA. Attorneys Assisting Comm. Orgs.	www.waaco.org
Non Profit Assistance Center	www.nac.org
American Institute of Philanthropy	www.charitywatch.org
Better Business Bureau – Wise Giving Alliance	www.give.org
Charity Navigator	www.charitynavigator.org
JustGive	www.justgive.org
Network for Good	www.networkforgood.org
Pro Bono Net	www.probono.net

Other resources:

Technology Resources

Center for Applied Special Technology (CAST) - www.cast.org

CAST is a nonprofit organization that works to expand learning opportunities for all individuals, especially those with disabilities, through the research and development of innovative, technology-based educational resources and strategies.

Net Corps - www.netcorps.org

To increase the capacity of environmental, social justice and community-based organizations to organize, advocate, and address social and environmental issues through the application of appropriate communication and information technology, training and assistance.

NPower - www.npower.org

NPower is a national network that helps thousands of organizations each year to expand their impact through the strategic use of technology. Local NPower [services](#) include technology planning, consulting, education and support.

ONE/Northwest's activist toolkit – www.oneNW.org

We offer full-service [website design and development](#), [email newsletters](#) and the [strategic technology planning](#) to help you put these tools to their best possible use.

ReVolt - www.revoltltd.org

ReVolt Limited is a collective computer service company founded in order to better meet the technology needs of non-profits, community groups, unions, and small businesses.

Tech Soup - www.techsoup.org

TechSoup Stock connects nonprofits and public libraries with donated and discounted technology products. Choose from over 240 products from companies such as Microsoft, Adobe, and Symantec.

Potlatch Fund: *Expanding Philanthropy in Northwest Indian Country*

"Potlatch Fund has been created by Northwest Indian people because we have a responsibility to expand opportunities for our communities. Our people face real challenges that need funding from lots of different sources. We need to develop and empower Native leadership and make the best use of our tribal resources. We need to remove barriers that are limiting contributions from private and corporate foundations. We need to encourage more effective grantmaking from public agencies. It is time to get beyond the talking stage. It is time for us to take action and use our combined energy, resources, and cultural traditions to inspire giving among and to Northwest Indian communities."

Antone Minthorn,
Board Member, Potlatch Fund

Potlatch Fund works to expand philanthropy in Northwest Indian Country by:

- a. the provision of capacity building trainings to Native non-profits and Tribes.
- b. educating funders.
- c. brokering relationships.
- d. encouraging best practice giving within Northwest Indian Country.
- e. our own grants program and other support provided to non-profits.



Haida Heritage dancers

Men's Grass Dancer



Glossary of Common Terms

Annual report:

A voluntary report issued by a foundation or corporation that provides financial data and descriptions of its grant making activities. Annual reports vary in format from simple typewritten documents listing the year's grants to detailed publications that provide substantial information about the Grantmakers grant making programs. Approximately 1,100 foundations issue them.

Assets:

The amount of capital or principal — money, stocks, bonds, real estate, or other resources — controlled by a foundation or corporate giving program. Generally, assets are invested and the resulting income is used to make grants.

Associates program:

A fee-based membership program of the Foundation Center providing toll-free e-mail and telephone reference, photocopy and fax service, computer searches of Foundation Center databases, attendance at an annual conference, and access to a special Associates-only Web site.

Beneficiary:

In philanthropic terms, the donee or grantee receiving funds from a foundation or corporate giving program is the beneficiary, although society may benefit as well.

Capital support:

Funds provided for endowment purposes, buildings, construction, or equipment.

CD-ROM:

Acronym for Compact Disk-Read Only Memory. CD-ROMs are high-capacity computer disks that allow publishers and other information providers to distribute large amounts of information in a searchable format.

Challenge grant:

A grant that is paid only if the donor organization is able to raise additional funds from other sources. Challenge grants are often used to stimulate giving from other donors. *See also* matching grant.

Community foundation:

A 501(c) (3) organization that makes grants for charitable purposes in a specific community or region. The funds available to a community foundation are usually derived from many donors and held in an endowment that is independently administered; income earned by the endowment is then used to make grants. Although a community foundation may be classified by the IRS as a private foundation, most are public charities and are thus eligible for maximum tax-deductible contributions from the general public. *See also* 501(c) (3); public charity.

Community fund:

An organized community program which makes annual appeals to the general public for funds that are usually not retained in an endowment but are instead used for the ongoing operational support of local agencies. *See also* federated giving program.

Company-sponsored foundation

(also referred to as a corporate foundation): A private foundation whose assets are derived primarily from the contributions of a for-profit business. While a company-sponsored foundation may maintain close ties with its parent company, it is an independent organization with its own endowment and as such is subject to the same rules and regulations as other private foundations. *See also* private foundation.

Cooperating Collection:

A member of the Foundation Center's network of libraries, community foundations, and other nonprofit agencies that provides a core collection of Center publications in addition to a variety of supplementary materials and services in areas useful to grant seekers.

Corporate foundation:

See company-sponsored foundation.

Cooperative venture:

A joint effort between or among two or more Grantmakers. Cooperative venture partners may share in funding responsibilities or contribute information and technical resources.

Corporate giving program:

A grantmaking program established and administered within a for-profit corporation. Because corporate giving programs do not have separate endowments, their annual grant totals generally are directly related to company profits. Corporate giving programs are not subject to the same reporting requirements as corporate foundations.

DIALOG:

An online database information service made available by the Thomson Corporation. The Foundation Center offers two large files on foundations and grants through DIALOG.

Distribution committee:

The committee responsible for making grant decisions. For community foundations, the distribution committee is intended to be broadly representative of the community served by the foundation.

Donee:

The recipient of a grant. (Also known as the grantee or the beneficiary.)

Donor:

An individual or organization that makes a grant or contribution to a donee. (Also known as the grantor.)

Employee matching grant:

A contribution to a charitable organization by an employee that is matched by a similar contribution from his or her employer. Many corporations have employee matching-gift programs in higher education that encourage their employees to give to the college or university of their choice.

Endowment:

Funds intended to be invested in perpetuity to provide income for continued support of a not-for-profit organization.

Expenditure responsibility:

In general, when a private foundation makes a grant to an organization that is not classified by the IRS as a "public charity," the foundation is required by law to provide some assurance that the funds will be used for the intended charitable purposes. Special reports on such grants must be filed with the IRS. Most grantee organizations are public charities and many foundations do not make "expenditure responsibility" grants.

Family foundation:

An independent private foundation whose funds are derived from members of a single family. Family members often serve as officers or board members of family foundations and have a significant role in their grantmaking decisions.

Federated giving program:

A joint fundraising effort usually administered by a nonprofit "umbrella" organization that in turn distributes the contributed funds to several nonprofit agencies. United Way and community chests or funds, the United Jewish Appeal and other religious appeals, the United Negro College Fund, and joint arts councils are examples of federated giving programs. *See also* community fund.

Field offices:

The Washington, D.C., Atlanta, Cleveland, and San Francisco reference collections operated by the Foundation Center, all of which offer a wide variety of services and comprehensive collections of information on foundations and grants.

Fiscal sponsorship:

Affiliation with an existing nonprofit organization for the purpose of receiving grants. Grant seekers may either apply for federal tax-exempt status or affiliate with a nonprofit sponsor.

501(c) (3):

The section of the tax code that defines nonprofit, charitable, tax-exempt organizations; 501(c) (3) organizations are further defined as public charities, private operating foundations, and private non-operating foundations. *See also* operating foundation; private foundation; public charity.

Form 990-PF:

The public record information return that all private foundations are required by law to submit annually to the Internal Revenue Service (IRS).

Form 990:

The information return that public charities file with the Internal Revenue Service (IRS).

General/operating support:

A grant made to further the general purpose or work of an organization, rather than for a specific purpose or project; also called an unrestricted grant or basic support.

General purpose foundation:

An independent private foundation that awards grants in many different fields of interest. *See also* special purpose foundation.

Grantee financial report:

A report detailing how grant funds were used by an organization. Many corporate Grantmakers require this kind of report from grantees. A financial report generally includes

a listing of all expenditures from grant funds as well as an overall organizational financial report covering revenue and expenses, assets and liabilities. Some funders may require an audited financial report.

Grassroots fundraising:

Efforts to raise money from individuals or groups from the local community on a broad basis. Usually an organization's own constituents — people who live in the neighborhood served or clients of the agency's services — are the sources of these funds. Grassroots fundraising activities include membership drives, raffles, auctions, benefits, and a range of other activities.

Guidelines:

Procedures set forth by a funder that grant seekers should follow when approaching a Grantmaker.

Independent foundation:

A grantmaking organization usually classified by the IRS as a private foundation. Independent foundations may also be known as family foundations, general purpose foundations, special purpose foundations, or private non-operating foundations. *See also* private foundation.

In-kind contribution:

A contribution of equipment, supplies, or other tangible resource, as distinguished from a monetary grant. Some corporate contributors may also donate the use of space or staff time as an in-kind contribution.

Letter of inquiry / Letter of intent:

A brief letter outlining an organization's activities and its request for funding that is sent to a prospective donor in order to determine whether it would be appropriate to submit a full grant proposal. Many Grantmakers prefer to be contacted in this way before receiving a full proposal.

Matching grant:

A grant that is made to match funds provided by another donor. *See also* challenge grant; employee matching gift.

Operating foundation:

A 501(c) (3) organization classified by the IRS as a private foundation whose primary purpose is to conduct research, social welfare, or other programs determined by its governing body or establishment charter. An operating foundation may make grants, but the amount of grants awarded generally is small relative to the funds used for the foundation's own programs. *See also* 501(c) (3).

Operating support grant:

A grant to cover the regular personnel, administrative, and miscellaneous expenses of an existing program or project. *See also* general/operating support.

Payout requirement:

The minimum amount that private foundations are required to expend for charitable purposes (including grants and, within certain limits, the administrative cost of making grants). In general, a private foundation must meet or exceed an annual payout requirement of five percent of the average market value of its total assets.

Private foundation:

A nongovernmental, nonprofit organization with funds (usually from a single source, such as an individual, family, or corporation) and program managed by its own trustees or directors. Private foundations are established to maintain or aid social, educational, religious, or other charitable activities serving the common welfare, primarily through the making of grants. *See also* 501(c) (3); public charity.

Program amount:

Funds that are expended to support a particular program administered internally by a foundation or corporate giving program.

Program officer:

A staff member of a foundation who reviews grant proposals and processes applications for the board of trustees. Only a small percentage of foundations have program officers.

Program-related investment (PRI):

A loan or other investment (as distinguished from a grant) made by a foundation to another organization for a project related to the foundation's philanthropic purposes and interests.

Proposal:

A written application, often accompanied by supporting documents, submitted to a foundation or corporate giving program in requesting a grant. Most foundations and corporations do not use printed application forms but instead require written proposals; others prefer preliminary letters of inquiry prior to a formal proposal. Consult published guidelines.

Public charity:

A nonprofit organization that qualifies for tax-exempt status under section 501(c) (3) of the IRS code. Public charities are the recipients of most foundation and corporate grants. Some public charities also make grants. *See also* 501(c) (3); private foundation.

Qualifying distributions:

Expenditures of a private foundation made to satisfy its annual payout requirement. These can include grants, reasonable administrative expenses, set-asides, loans and program-related investments, and amounts paid to acquire assets used directly in carrying out tax-exempt purposes.

RFP:

An acronym for Request for Proposal. When the government issues a new contract or grant program, it sends out RFPs to agencies that might be qualified to participate. The RFP lists project specifications and application procedures. While an increasing number of foundations use RFPs in specific fields, most still prefer to consider proposals that are initiated by applicants.

Seed money:

A grant or contribution used to start a new project or organization. Seed grants may cover salaries and other operating expenses of a new project.

Set-asides:

Funds set aside by a foundation for a specific purpose or project that are counted as qualifying distributions toward the foundation's annual payout requirement. Amounts for the project must be paid within five years of the first set-aside.

Special purpose foundation:

A private foundation that focuses its grantmaking activities in one or a few areas of interest. See *also* general purpose foundation.

Tax-exempt:

Refers to organizations that do not have to pay taxes such as federal or state corporate tax or state sales tax. Individuals who make donations to such organizations may be able to deduct these contributions from their income tax.

Technical assistance:

Operational or management assistance given to nonprofit organizations. This type of help can include fundraising assistance, budgeting and financial planning, program planning, legal advice, marketing, and other aids to management. Assistance may be offered directly by the staff of a foundation or corporation, or it may be provided in the form of a grant to pay for the services of an outside consultant. See *also* in-kind contributions.

Trustee:

A foundation board member or officer who helps make decisions about how grant monies are spent. Depending on whether the foundation has paid staff, trustees may take a more or less active role in running its affairs.



Canoe Journey 2007



Men's grass Dance

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