Funding Basics

Sources of Funding

- Community fundraisers
- Donations (cash and in-kind)
- Membership fees
- Private/public partnerships
- **Grants and contracts**
  - Government funding
  - Private Foundations
  - Business/industry

The key to thinking about funding is to be creative. There are many potential sources of funding out there, from outright individual or corporate donations to private and public partnerships.   It is better for sustainability if you have a diversified source of funding. So for example, you may have 50 to 75% of your funding from a couple of grants, but you would also have some funding from several other sources. For long-term sustainability of a program, it is probably best not to have 100 percent of your program's funding come from one source. There are 56,000 private foundations in the U.S. In 2002, private foundations gave away 29 billion in grants.

The list of sources here is not exhaustive. Because it can be a pretty long list, we cannot list them all here. Here we will focus on grants and contracts. The organizations providing grants and contracts to support activities and programs to prevent injuries include both government agencies, private foundations, and in some cases, business and industry (i.e., private companies).

Most often, grants and contracts from government agencies and private foundations are provided as a result of solicited proposals. Sometimes, however, unsolicited proposals can be awarded if they are sent to private foundations or businesses.

Types of Grants

Start-up Grants: seed money to start a project (may not cover all of the costs)
Program Grants: for a specific program/project
Continuing Support Grants: multiple year of funding
Cooperative Agreement Grants: requirements are outlined for both grantors and
        grantees so that they collaborate on the project.
Research Grants: funds to conduct a study
Scholarship or Fellowship Grants: funds to support education (may be awarded to
        institutions or individuals)
Challenge or Matching Grants: requires that part of project support come from another
        source.
Endowments: the funds are invested to provide a continual source of support.
Conference Grants: set up and run conferences or to send professionals to educational
        workshops

Steps of Funding

- **Identify potential funders**
- **Research funder interests**
- **Talk to Tribal Grant Writer and others (e.g., IHS)**
- **Decide to prepare a proposal**

The first steps in this process involve identifying potential funders and then determining their interests. If there is a match between areas or projects that a funder is interested in funding and your project ideas then you will probably decide to prepare and submit a proposal. However, you would probably want to talk with the Tribal Grant writer and other collaborators (such as IHS Area IP Specialists) to determine that you have the support needed to prepare a proposal

Perhaps the only reason you would not prepare a proposal is that you determine you do not have the time or resources to prepare a competitive proposal.   However, in some cases, even if it will be competitive, going through the application process can provide an important learning or practice experience for you and/or your team.

Well written proposals – proposals that get funded – are well researched, outlined, and planned before they are written.

Step 1 Identify Potential Funders

- **Start local**
  - **businesses, local foundations (e.g., Safe Kids)**
- **Look for organizations that match your focus**
  - **State or local health dept. or public safety**
  - **Emergency Medical Services for Children (EMSC)**
- **Use online resources**
  - **Look for program announcements such as RFP, RFA, BAA**
- **Should be ongoing process**

The first step in grant writing is identifying potential funders. You want to think about agencies and organizations that are not only well-matched to your projects, but likely to have few competitors applying. Often this means that your best bet is to look locally. There are many local businesses that might not have a web site describing a grant program, and they may be looking for ways to contribute to the local community. Sometimes the best way to find out about them is to call the major employers in your county and ask to speak with someone in public relations.

Another way to focus your proposal development efforts is to apply for specific funding, if you can find it. A good example is the IHS Tribal Injury Prevention Cooperative Agreements Program– for which several of you submitted a successful application.

Another place that is often worth looking is the internet. There are a variety of online resources, many of which are listed on the resource handout in your toolkit, that can be helpful. Government agencies and private foundations are often proactive in establishing programs of support. They will release a Request for Proposal (RFP), a request for Application (RFA), or a Broad Agency Announcement (BAA). See RFP Bulletin on The Foundation Center web page (www.foundationcenter.org)

It is important to do your research and get organized early, because identifying potential funders can be difficult and take time. We have tried to do some of the research for you. In your notebook you will find a list of various funding agencies, plus a few suggestions for other places to look.

Finally, identifying potential funders should be an ongoing process. There are new grant programs identified or announced every few months.

Step 2. Research Funders

- Obtain Annual Report
    - What is their mission statement?
    - Who serves on the Board of Directors?
    - What are their funding priorities?
    - What are the themes of past projects?
- Visit their Web Page
    - What are their interests?
- Understand the funding cycles
    - When are proposals accepted?
    - What is the turn around time?
    - When does funding begin?

Funders are often interested in making a difference – so something new; or to meet a critical need would meet those interests. Once you find a funder that you think might work, the next step in the process is to learn about the organization and why they have a grant program. This research will help you know whether the funder is a good choice for you, and help you plan your grant. Things you might want to examine include the annual report and mission statement in order to give you a sense of the goals for the organization, and language they use to describe their purpose. Next, it can be helpful to find out what projects were funded in the past – in particular any projects that maybe similar to yours (e.g., scope, nature, topic).

You might want to find out who serves on the Board of Directors – do you know anything about those individuals? And finally, if the organization has a web site, you may find other information about the organization's priorities and interests online.

Step 3. Involve Tribal Grant Writer and Other Stakeholders

- Do you have the right people involved in the discussion about the proposed project?
- Do you meet criteria for submission?
    - What are funding restrictions (e.g., geographic, topic, population)?
    - Does the RFP/RFA state that the lead agency must be a non-profit group?

Step 4. Decide Whether to Prepare Proposal

The final phase of this decision-making process is 4. Deciding to prepare a proposal.
Before you can make the decision to do so, it is important to be able to answer the
following questions:

Can you justify the need for the project?
Do you have an appropriate plan?
Can you obtain letters of support?
Do you have the time to prepare a competitive proposal?

Use the Proposal Planning Checklist/Worksheet in your notebook to assist you in
reviewing the request for proposal for key information. Review the list of 18 categories
with the participants. Ask them to tell you why these categories are important. After
you obtain their suggestions write on the flip chart by category number.

If you are able to answer 'yes' to most or all of these questions, you will move into the
next phase of the process: proposal development. In that process, which we will
discuss during the next presentation, the key step to ensuring that the decision you
made this process – to submit a proposal – is done effectively will be to develop a plan
and assign roles and responsibilities!

Being and Staying Prepared

- 'Boiler-plate' information about your Tribe or Tribal Organization
- Lists/descriptions of your:
    – Experiences (e.g,. IP projects)
    – Accomplishments/successes
    – Funding sources
    – Training experiences
    – Collaborations/partnerships
- Databases of your collaborators or partners to facilitate receiving letters of
  support in a timely manner

While making the decision to submit a proposal or not is often based on a lot of factors,
the truth of the matter is that we are all usually more 'reactive' in our approach to
submitting proposals, as opposed to being proactive. In other words, we usually and
often decide to submit a proposal only after an RFP or RFA has been announced by a
funding source!

To both help us 1) be ready to react and 2) to plan to be proactive, there are several things that you can do to be prepared.

Ongoing Effort to Increase and/or Diversity Funding

- Actively look for opportunities every 3 to 6 months
- Assess opportunity relative to capacity to respond to request for proposal
- Use the Proposal Planning Checklist to determine if you will prepare a proposal
- Consider your organization designation and eligibility for grant funding
    - Would becoming a 501c3 organization be helpful?

Definition of Non-Profit Organization: Tax exempt 501(c)3status is granted to organizations that serve the public good and are organized for religious, charitable, educational, scientific, or literary purposes.

Non-Profit Status

Advantages

- Gain tax exemptions on earnings
- Donations to the organization are tax deductible
- Gain some protection from legal liability

Disadvantages

- Costs to incorporate as a non-profit
    - Lawyer fees
    - Application cost
- Time to complete paperwork for application and required reporting

Organizational Decision Non-Profit Status: 501(c)3

- Consider becoming non-profit if your operating budget is at least $25,000 and the organization will exist for several years
- Prepare documents and appoint board of directors including treasurer
    - Article of incorporation
    - Mission statement
    - Complete forms (e.g., SS-4, 1023)
- Ongoing board meetings and financial reporting

Additional Resources

- Recommended Book
J. Barbato and D. Furlich (2000). *Writing for a Good Cause: The Complete Guide to Crafting Proposals and Other Persuasive Pieces for Nonprofits*. New York, NY: Fireside Books

- Internet Resources
    – Use search engines
    – Foundation Centers for Guidelines
    – External funding from
        • Private Foundations
        • Government Agencies