

Citizen Corps Funding: Structuring Your Program for Sustainability

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1:30 p.m. – 3:00 p.m. EDT

Good afternoon. Thank you for joining FEMA's preparedness webinar series. Today's topic is Citizen Corps Funding: Structuring Your Program for Sustainability. A few technical considerations before we start. The audio for the webinar will be playing through your computer speakers. Please ensure the volume is turned up. This webinar is being recorded as well as captioned. The audio recording and transcript will be available within 48 hours on the website. You can see the link to the left of the slide. After our presentation, we will have a Q & A session. Feel free to type any questions you have regarding the presentation you have heard. We will select the questions and answer them as we can. I would like to turn it over to Dante Randazzo from FEMA's Individual and Community Preparedness Division, to provide the introductions.

Thank you Steve. Hello everyone. We are excited to have everyone online. We know that this is an important issue for everyone and are happy to provide resources for you. As you know, the Citizen Corps grant was rolled up, but the grant office and funding are not disappearing. We are restructuring our budget to provide more support to the programs in the coming year. We are working on funding in other jurisdictions, so we are focusing on ways to get additional assistance.

There are creative practices to consider. Not all options work for all jurisdictions. We will cover a variety. We are fortunate to have outstanding speakers to discuss several including strategic planning for long-term sustainability. Becoming a 501C3 and pursuing assistance for private sector organizations and foundations. Overall what you need to know is that we are here to assist you with funding challenges. We need feedback to know how best to help you. Do not be shy. Tell us what type of assistance you need and we will do what we can to help. Our first guest speaker is Michelle, the Homeland security manager and program manager for Illinois emergency agency.

Thank you. I appreciate everyone having an interest in what we will talk about today, specifically about Illinois. To give you a frame of reference as to how the Illinois Council is hard, we have been in place since it was introduced. We had a council as part of the Homeland security advisory Illinois terrorism task force since 2002. We are an oversight and connector, 19 members that are statewide organizations; but also local units to have councils as well. That makes our state unitary and effective. Not only do we oversee the program's activity relative to Citizen Corps, but we also manage grants from the same office.

To give you a frame of reference we also have data, 91 councils in Illinois. As of right now, there are 61 programs under the 91. 22 medical reserve Corps and 15 volunteer and police. They are all registered on the Citizen Corps website.

This is important because we collect data in Illinois as part of the price per year report required. We have additional information that relates to grants but the activities are ongoing at the local level. For a six-month period we had almost 8000 volunteers statewide. This calculation factors in how much volunteer hours are worth in your state versus our state. For those six months we had \$1.6 million of activities going on. That was tripled from what we got the entire year for FEMA, just for Citizen Corps. This is important because it shows that the investment is there from the federal level but also ours, by people on a local level, indicates the need for the program. It shows us that it is not just money helping, but people doing things on an ongoing basis. We want to focus on qualitative information. How you factor that into your strategic plan.

We are on the cusp of a problematic process. Where do we go from here? We had this program for 10 years. Illinois invested \$7 million in federal and state funds as well. The challenge in Illinois is that we have 91 councils and 85 are getting grants from us. We pulled them in February when we knew that there was a possibility of not just Citizen Corps streamline funding but that it was a part of the overall bigger picture. To understand better how much local council was dependent on receiving funds in their current capacity. 75% of them told us the programs would no longer exist without the presence of federal funding. That was a startling number for us at the state level. We knew that a lot of councils obviously we are doing work prior to 9/11 in a different capacity, but were really dependent on the funding. How can we continue their capacity without a specified funding stream? What opportunities can give people that would make the program continue on? We came to the realization. What we really need to do for this state is prioritize our key mission. We focused on what Citizen Corps is. The beauty about Citizen Corps is it provides an outlet for local units of government and state and nationwide to channel preparedness activities related to homeland security. It is also so broad that we thought it was time we focus on a few key areas. Those key areas are preparedness and volunteer service.

When we talk about preparedness we are talking about the method of being prepared. Education, training and exercises are methods of that. It is not just those things. But what can people do individually and on the community level. We thought the simplest way to achieve that was to ensure that we want awareness for preparedness out there. So people feel compelled to take action. We are on a path where we would like to start making Illinois citizens aware so that they become active in their community. By doing that, we want to focus more on branding our local area for Citizen Corps. We also sought a connection in how we conduct activities.

We want to ensure Citizen Corps was developed to be a grassroots effort. Citizens wanting to be prepared and that the elected officials are aware of this opportunity and they are implementing preparedness in the community. It is a give and take model.

We really like to focus on how those things can intertwine opposed to being a top-down or bottom-up structure.

Our volunteer service mission is pretty simple. There are a lot of good activities already going on. Not necessarily under the Citizen Corps umbrella. We would like to find out and understand better the variety of organizations that already have existing services such as state volunteers in Illinois, and other things going on out there. Also focus on every unit of government that has

emergency operations plans. What are their operation plans saying? It may be called a variety of things but let's capitalize on what is already existing.

We would like to focus on a target population, Illinois. The private sector relationships are becoming important in how we conduct business, before, during and after a response. Connecting better with them is what we would like to focus our energies on in the upcoming future. We are not quite sure how to carry that out but it is our intent, and tying that into faith-based oriented agencies.

We have decided we want to focus on what we have scheduled already for this year, and funded. We presented a workshop in September. We had a statewide exercise. We have remodeled our program and want to continue to do that. We have developed volunteers that want to be deployed statewide for disasters. We plan to continue that going ahead.

We have to take steps that will be relatively new to our strategic plan. They are on this slide. Local Citizen Corps technological assistance program. Our idea about this concept was that we would go in and do training and sharing ideas and best practices to provide a network of peer support. We really want to show how highly regarded that is. That remains to be seen. What was important to us was to provide an avenue for people to share information back and forth. We have been doing that but we can do more in that regard.

Other new initiatives that we want to achieve. The local Citizen Corps bridging grant program. What that means is whatever money we have left over in the Citizen Corp specific line as well as other funding we have been able to utilize in the state homeland security programs in past years. What can we scrape together that will help those councils to achieve a community identified relative to preparedness. It is different for every local council. We want to help plug the gaps. Not necessarily to buy things and support programs but what can we do to achieve some sort of cohesive plan, maybe part of an emergency plan operation. Public service announcements. Things that they have identified. Things missing in their capabilities.

We thought it was important to not just give money to a program but people to say, this is their gap. That is all.

Thank you Michelle. This is Dante Randazzo. Before I proceed to the next speaker. The next session deals largely with 501C3 status. I want to answer a couple of questions we have received frequently from our state and local stakeholders. Regarding eligibility of 501C3 organizations and recipients of federal grant dollars. If you receive federal grant dollars. May you achieve 501C3 status? The answer is yes. If you are a 501C3 organization you are still eligible for funding. If you receive federal grant dollars that you put towards your Citizen Corps program you can still become a 501C3 organization without jeopardizing the federal funding. The second question we received. The ability to match funding such as EMPG funding to match other grants. Unfortunately no grantees can use grant funding. Unless otherwise verified. I want to provide that clarification. 501C3 organizations are eligible for federal funding and will not invalidate your eligibility for federal funds. With that I would like to introduce our next speaker. Stella Hickey. She is the Oregon fire corps advocate. She is also the member of the Oregon Citizen Corps Council. She will talk about the process of achieving 501C3 status.

Thank you. I would like to thank everyone for being here and thank you for having me as a speaker. One of the greatest things I have done in my state and I am proud of. I am going to take this moment to post. I have helped a lot organizations get their 501C3 including Citizen Corps councils, fire core councils and a couple of other programs.

You understand different things from this presentation. What is considered before applying? The basic process and what it takes from the basics to get through the whole process and they are an easy to understand process.

Keep in mind we talk about tax exempt status. I can only give you the tools. You need to research what you need to do to get to 501C3 status. It is not the same for each individual organization. A lot of it has to do with conditions like your area and what you're locality requires. What are state conditions for applying? One of the things I would strongly advise is to consult an attorney or someone with legal advice. There are issues that come along with each state that are very unique to your state. Also very unique to your local area. There are a couple of counties that actually require that they apply for certain permits to be able to become 501C3.

When I first started, I consulted with a certified public accountant. We are having brief technical difficulties.

Some things that will be important to think about, not every organization is right for doing tax exempt status. Look at your overall condition of your area. Are you in an area where 501C3 would be advantageous for you to get? It would not be things for a fire program in Oregon. They are not allowed to do very much fundraising because it takes away from their community so much. They apply for 501C3 to be able to apply for grants that they wouldn't get through the government or their locality. That was the reason for getting their tax exemption. I also know our organization, Citizen Corps, did not do 501C3 because they have enough local resources and enough stuff around them that they didn't need to get a 501C3.

When looking at whether or not to become 501C3. The main purpose for doing 501C3 status is to keep you from being taxed on the money you bring in. The gross receipts. If you are over \$5000 per year, you will be taxed by the federal government as a 501C3. That tax is exempt. You don't get taxed that because of your charitable status in what you do.

That is one of those things. The other thing, if you are a sub group under an organization. Say you are Citizen Corps, and have a 501C3 and you get money from them to be able to operate. You don't have to go get your own. You qualify underneath them. Here are the things you need to think about when you are structuring to do a 501C3. Think about your structure, it needs to be well laid out. Fiscal management, register and report requirements. Insurance and risk management that goes into having 501C3. If you are not running it correctly there are major penalties.

Grant writing, fundraising, grantor reporting. Are you going to be able to do those things? Write grants and fulfill them? If not, is 501C3 the right thing for you? You need to consider costs, time

schedules. How long it takes from going from applying to getting your determination letter. Developing your support documents. Those are things you need to consider.

The basic process. Establishing your organization. You need to be well established. Do you have a Board of Directors, office team? What are the things you are going to put into it to establish your organization? Signing your name is a huge one. All of those things are going into the basic process of being able to establish.

The Board of Directors and officers. Each state has its own rules. How a board director or officer of an organization has to operate and what those lines of authority and what they are allowed to do. What coverage they get. That is something to look into.

Supporting documents. This is my biggest one and the one I point out the most. You have to have good supporting documents for your organization. We will go over those in the next couple of slides.

This is the basic process if you start with no organization to actually getting your 501C3. I always say to fill out your IRS form 1023. Fill it out but do not submit. Then go and look at your local and county state requirements for permits. Do you have to file this with your county secretary to be able to establish your 501C3?

EIN number. You must have your employee identification number to apply for 501C3. Also articles of incorporation from your state. You apply for that from your secretary of state. Register with the Department of Justice. All states have a Department of Justice and you have to record with them that you are a charitable organization that will be submitting for 501C3.

The reason I have you fill out the IRS 1023. In that form, it outlines what you need to have to be able to get to the 501C3. It is better to know that ahead of time then to jump in and have done everything up until the Articles of Incorporation. You have 27 months from that point to get your 501C3 filed with the IRS. 27 months seems like a long time. That is two years. It took one organization I worked with 4 years to complete their application.

It may seem like a long time but it may not be. Organization. You need to look at your name. Establish that no one else has that name. Otherwise you could have penalties if it was already patented or there are restrictions on it. Be sure to be unique. You don't want to be similar to another organization and be confused with another organization. It can cause problems.

And to organize a Board of Directors. Most Board of Directors needs to be at least three and some states require 5-7. It depends on your state. Officers. In your Board of Directors establish officers. An officer team of president, vice president, secretary and treasurer can be classified as your Board of Directors. Outline your membership. What your membership is and what the voting rights are. What they are allowed to do and how you are going to be serving them. They want to see a mission and purpose statement.

Supporting documents. We have bylaws. Bylaws are a set of documents that are a governing piece for your organization that outlines what you do if a meeting is canceled. How to

appropriately do that. How members become part of your organization. How officers are voted in. There are strategic things in the bylaws. On your 1023 form, they ask where in your governing documents it says you're dissolution statement. You have to cite the page of the number where it is. They want that information. You need to have well set up bylaws. They are a set of documents to help your organization in times when things go wrong. Bylaws give a structure to take care of that. If someone comes back to you, you are covered because of what the Bylaws said. I have Bylaws and one of my organizations that strictly states that no one is to be under the influence of alcohol for eight hours prior to the point of coming to a meeting, incident or anything. If they violate that, it gives me grounds in which to terminate them.

Financial records are very big. They want to see at least three years of financial records. If you don't have three years of financial records when you apply for 501C3, they want to see a projection of at least 2-3 years out. If you have at least one year of financial records you can say, these are the financial records for this year. We know we will do about the same thing so we will project the same thing for the next couple of years. Financial records give you the idea that if you are going to be in the over \$10,000 grouping or under. We will get to the differences in cost in a few minutes.

Policies and procedures. Policies and procedures are strict guidelines and policies that support Bylaws and outline how the organization does things. They help if you are looking to conflict of interest policies. It is very important. 501C3, 1023 asks if you have a conflict of interest statement. If you already have that in your policies and procedures it will be very easy to answer the question on your 1023.

We talked about bylaws. There is a nonprofit person required to have 17 Bylaws. They are a legal document when viewed in a court of law; they lay out and outline procedures. These are the main points in the bylaws and to appeal to apply for your 501C3. The purpose is another word for your mission statement. You need to make sure in the purpose mission statement it states what your charitable objective is. When you are applying for your 501C3 it matches very well.

Roles of board members, classes of membership, officers' description, disciplinary policies. Nondiscrimination policies. They actually want to see that and also the dissolution statement.

Financial records. These are income. Who you are getting the income from and how much. They want to see where it comes from and how. They want to see expenses and who you are paying and the amount of purpose. If you do a line item budget you need the line items in there. One of the things that 501C3 and the IRS look at. They want to see that you are following the mission and using the money for the mission and no one outside of those who you serve are benefiting from the 501C3. If you are getting tax exempt it is because your organization is serving other people and not citizens inside the organization. Auditing your records at least once per year.

I recommend having them audited by an outside person once per year. A lot of CPAs will do that. On a pro bono basis. Look into that. Reporting records. Every year you have to resubmit to your Secretary of State and Department of Justice and the IRS requires you to send a 990. On there, you have to record what your gross income is. If you have financial records set up you will be set up for when you are doing your 501C3.

Here is the dissolution statement. There is a dissolution statement or language for tax exempt with the 1023. This is what they want to see in your bylaws. Something along the lines of what they put in the form that you have filled out. They want to see that the money, if for some reason you are no longer going to be an organization, where the money goes. They want to see it go to another nonprofit agency or to another nonprofit organization. They want to see it goes to individuals. They don't want to see that it goes to anyone that would profit from the dissolution of the organization.

It is important to file your 1023 within 27 months of the date of incorporation. If you do not you have to file extensions. They are not always granted. The IRS is lenient and allows you to extend if needed. There is also, if you have been established as an organization for a long time. I have one that was established since 1927. They incorporated that back in the 70s. They had to file. This is why we are not a 501C3, because at this point in time it was not something that was done. There are differences of when you can file. If you are brand new and you have filed your articles of incorporation, you have 27 months to fill out 1023.

Before you can conduct fundraising efforts once you have been incorporated. You need to get your 501C3 cost to apply. There are three areas that cost. Articles of incorporation. Register with the Department of Justice and submitting the 1023 to the IRS. Those articles of incorporation I have seen. This is based on what the average cost was, about \$50 to incorporate. Then a five dollar fee. I put that there because it is usually how much it costs to get a certified copy of your articles of incorporation. You need that to apply for your 501C3. Register with the Department of Justice. Usually there is a minimal fee.

The fees are due in the future financial reporting. Every year I pay about \$20 for one of my organizations to the Department of Justice. Submitting your IRS form. You have two areas. If you exceed income of \$10,000. You want to file for the \$850 one. If you are lower, apply for the \$400. If you go over you will be taxed for the amount over \$10,000. When I was looking at one of my organizations. We thought we would be in the lower one and we started thinking about the equipment we were going to purchase and have on hand, which counts as assets. We have one piece that was \$11,000. We would have been taxed on the \$1000 if we went with the smaller one. Those are things to consider.

I believe that is the end of my slides.

Thank you Stella. Unfortunately our third speaker is not feeling well. I will be making her presentation using her slides. I will do my best to do her presentation justice. I want to thank Stella for her detailed presentation for the 501C3 option. We want to make sure you have as many options available and all of the alternatives to the 501C3.

I want to emphasize that this is not something we came up with. There are a number of community emergency response teams that pursue some of the alternatives. This is what we know from programs that have only pursued these. It is based on real experiences around the country. We want to provide alternatives to the 501C3 and information so that you can make an informed decision.

Why consider alternatives? There are benefits to looking at alternatives. Local community emergency response teams can have a benefit of being 501C3 without actually becoming a 501C3. Going through the process that Stella took you through.

Not only do you have to go through all the steps but we file annually. You can receive donations and fund-raising without the duties of being a corporation. Any of the options that I go over should, and including 501C3 status, you have administrative requirements.

Some of these options will be discussed and will reduce the amount of time required to handle all of these administrative requirements. Some of the alternatives will reduce the administrative and corporate and physical management burden that might be associated with actually becoming a 501C3 organization, and maintaining the status.

There are two tiers of fees. \$400 if the amount of funds received through fundraising efforts is \$10,000 or less. If it is over, you pay \$850. If you forgo becoming a 501C3 organization and pursue one of these alternatives, that allows you to avoid or limit the fees. Attorney fees or CPA fees may be covered pro bono. But you could potentially avoid that altogether by pursuing an alternative to becoming a 501C3 organization.

Also, programs like ours, Citizen Corps and CERT are government sponsored programs. Becoming a 501C3 grants physical independence. The independence may potentially have a downside. With a corporate structure and Board of Directors handling the business operations of your council or community emergency response team could potentially but not necessarily weaken the link between our Citizen Corps or CERT program and a local sponsoring organization.

Another benefit of focusing on potential alternatives, there is a considerable burden involved with becoming a 501C3 organization and running the separation of 501C3. It is high energy volunteers that end up on the Board of Directors. A certain amount of time and energy has to be focused on physical and corporate management. That can bleed off focus and energy for community safety and emergency preparedness and response, which is the mission.

What are the mission's possible alternatives that we will look at? Work with your local government. Use their tax ID number. Partner with an existing 501C3 organization related to your sponsoring organization. Or pursue a relationship with a 501C3 organization in the community.

I would say, of the three options, this is probably the simplest and easiest to achieve. In essence, the way this works. The local government can provide your tax ID number. With the tax ID number of the local jurisdiction, an entity or donor can make a tax deductible donation to your program. There are a couple of considerations.

The first is whether or not the jurisdiction can sequester funding. What this means is, the funding cannot be altered when spent on something else. If a donor chooses to provide funding for

Citizen Corps or CERT, it cannot be used for something else. It has to be used for Citizen Corps and CERT.

Be sure to check with your local government to see if they allow for funding to be sequestered. In some jurisdictions, if funding is sequestered, it is referred to as a trust fund. You can set up a Citizen Corps or CERT trust fund. Then it has to be spent on those programs.

Second consideration. Carryover factor. If the fiscal management system used by local government allows for the carryover of one fiscal year to the next. Some jurisdictions will have a fiscal period of one year and others' will have two years. The key thing to consider and learn when doing research and homework. Whether or not they allow for funding to be carryover from one fiscal period to the other. Governments typically return unspent money to the general fund. That is something to plan for accordingly.

If a local program is raising funding for something that cost \$15,000, they only raised \$12,000. They need to have a backup plan, either for something to use the \$12,000 for or to make sure that when they apply for fundraising to be sure the deadline they set is well before the deadline for the funding to be returned to the general fund. Otherwise they may lose it. However, if the local jurisdictions allow for funding to be carried over from one to the next is not something you have to worry about.

It is not an insurmountable obstacle, but knowing about the carryover restrictions of the local jurisdiction is definitely something to take into account beforehand. What you can do. When your local jurisdiction is establishes a Citizen Corps or CERT trust, it will not only protect the funding to be used only for those programs but can also be a part of the trust that the funding is continually carried over from one year to the next.

Those are the two considerations. You can work with your local government to use their tax ID number and the cure tax deductible donations and fund-raising. You can work with them to establish a trust that will protect the funding and allow it to be carried over from one fiscal year to the next.

Moving ahead. Another potential alternative is to work with a 501C3 organization that is related to your sponsoring agency. Whether emergency management agency, police or fire department.

Ours are a police or fire department, benevolent organizations. That is directly related to the government agency sponsoring your Citizen Corps or CERT. The 501C3 acts as an agent. Basically it allows you to benefit from the advantages of the existing 501C3 organization without going through all of the background and groundwork yourself.

These organizations provide a corporate and fiscal management umbrella to help you reduce the burden on you. They take care of those aspects, leaving you free to focus on the mission of Citizen Corps and CERT programs. However they may charge a fee for those management services. They will help you to manage the physical and corporate aspects. But they may charge a fee. That is not necessarily the case and not all jurisdictions will do that.

Notice the third option is similar to the previous one. Except it is a little broader. Instead of working with the 501C3 organization that is directly related to your sponsoring agency. This goes into the broader community to look at other 501C3 organizations that can act as a fiscal agent. What differentiates this from a 501C3 related to your sponsoring organization? They are likely to charge a fee for management services.

Some smart practices to consider in pursuing any of these options. First, if your program is government sponsored you have to talk with your jurisdiction of legal counsel. For pursuing any of these options to determine what options are best for your jurisdiction and specific program. If your local program is thinking about the tax ID option, you need to speak to the jurisdiction financial officer. To ensure the funds can be sequestered and carried over from one year to the next is allowable.

If you want to consider working within an existing 501C3, a smart practice is to do homework to ensure your program gets under the 501C3 umbrella. Some local 501C3, for example, are environmental organizations, and will only want to act as an employee related to their mission. You have to see if your organization fits with theirs. However there are 501C3 that fit a broader mission like community service organizations. It may be a part of their mission to be an umbrella for other grassroots organizations. By helping you, that advances their mission.

In terms of speaking with an existing 501C3 organization. It is a smart practice to talk with the representative of the organization before hand to determine the respective responsibilities of your Citizen Corps or CERT program. And of that of the 501C3, it has to be a detailed conversation so there are no surprises.

In addition, functions have to meet qualifications to be 501C3. Again, this applies across the board. Not just for working with existing 501C3, but for tax ID. Even if you are not becoming an actual 501C3, you have to meet the requirements of a 501C3 organization to pursue one of these alternatives. What that means, your functions have to be either charitable or educational in nature, which I think covers most of our programs. In some instances you may have to meet additional qualifications of an existing 501C3 organization to be able to work with them. Other 501C3 may have requirements in addition. But there are general baseline 501C3 requirements established by the IRS and you may have to make sure the program is in line with those.

I want to give a recap of the presentation. I hope this was helpful. We covered what alternatives are suitable. Why they may be a preferable option to a 501C3. Provided examples of alternatives to 501C3 status that are actually being used by local CERT organizations in the country.

We will take questions at the end of the call. For now, I would like to introduce our last speaker, Chief Executive Officer for Grant LLC, Michael.

Thank you. I want to add about partnering with other organizations. One of the great things we have found with partnering that may or may not be formally organized. It opens up additional grant opportunities because of the eligibility that organization you're partnering with actually has. If you are partnering with a fire department, they opened grants that other nonprofit organizations may not be able to apply for. Firefighters grants for example. A number of benefits

to partnering with an organization. If you are not partnering with another organization from a formal structure standpoint you may find yourself partnering with other organizations anyway because of the availability of funding and durability and that partnering extends your ability to access different funding sources, for which only the narrowly defined organizations are eligible to apply. Yet they have an interest that corresponds to the work you actually do in Citizen Corps. Just a quick side note on that, about the benefits of partnering.

My role today is to talk about exploring foundation funding. I am the CEO of the grants office. I am also the funding columnist for homeland security today magazine. We will talk today about exploring foundation funding as an alternative source of funding for your Citizen Corps project, preparedness project, emergency management projects, citizen voluntary involvement, training projects, etc. First foundations are very broad across the country.

There are an estimated 120,000 foundations around the country, most with assets under \$1 million. About 58,000 of the 120,000 foundations asked are under \$1 million. The grants they can get are smaller than what is available from the large federal programs. There are grants from \$500-\$100,000 coming from foundations as opposed to some of the larger federal grants, where you see grants up towards \$1 million.

Be prepared to see them somewhat smaller. Nevertheless, there is only \$40 million per year available. That covers everything from education projects to emergency management projects to safety and security projects. It runs the gamut, food and nutrition, etc. The one thing that distinguishes it from state and federal government funding, is it tends to be more locally responsive. Whereas the government programs that will tell you what they are looking to fund and looking for organizations that can do that thing. Foundations allow you to offer your projects and programs based on your local needs, then fund those projects rather than telling you descriptively what you need to do in order to qualify for the funding. They can also fill in gaps where federal and state funding do not fit, either because funding, as we talked about today, has diminished from other sources or because they are elements of your project that do not fit within the conflict of what is allowable under other funding sources. One of the things that came up earlier was the fact that you cannot use federal funds and they match to leverage other federal funds in most cases. Foundation funds are great for providing matching funds to leverage other funding sources because they are local, nongovernmental and they are developed without any involvement from state and federal sources.

Those are the benefits of looking at foundation funding that we see in terms of accessing the funding. The next logical question. If there are 120,000 foundations, where do you go to find one that supports your project? Most are locally responsive. They tend to focus on local projects. Meaning you have to look locally for foundations. There is an example in the community foundation of Abilene, Texas. Community foundations are good options if you're looking to partner with a nonprofit organization as a mission to provide under this role. Community foundations are good for that for a couple of reasons. They have that as their stated mission in many cases. They got the landscape. You can see foundations throughout the country that are ready and willing to provide fiscal management role. If you don't have another partner that fits better with your organization's mission.

Take this example, does that mean only volunteer fire departments can benefit? By no means. They can receive the funds. But other volunteer organizations that partner with volunteer fire departments are also able to benefit from those activities. Community foundations of Abilene, Texas. As you are starting to look at foundations. You want to look locally. You are looking for a few specific elements of the foundation itself. Number one, getting interest. What is the specific interest? Most are created by individual people, usually wealthy donors did you have specific interests. In some cases they correlate very well to the work you are doing in your community. Other cases they may be focused on something totally different. They may only be focused on specific types of parochial schools. If you're not running a parochial school you won't fit in with that foundation. Other foundations will have it interest in broader community support. Such as providing volunteerism. An area where community or Citizen Corp organizations can participate.

Look at the geographic focus of the foundation. Most foundations have very specific geographic focus because they cannot support everything everywhere. No foundation can. Even with \$40 billion available, there are many projects that go unfunded. They have to limit their focus. One way they do that is geographic focus. Look at the past grants amounts. You don't know about how much to ask for especially if it is your first request. Once you have an ongoing relationship you may find it easier to obtain funds. They may tell you when they have money available. And ask you to apply for it. If it is your first application. Look at the range of grants they have given in the past. Make your request somewhere in that range. You also want to look at trustee names.

Many foundations give grants, unlike federal and state. Many use personal relationships to gain additional information. Talking to trustees and that even though what your project is and what benefits you expect to improve your community. And how you will use the funding effectively can help you get funded.

Relationships can be very valuable. Get to know the trustees. You also want to find out the application process. Some foundations have a simple process. Where they say, submit a letter and tell us about your project. Some have a very rigid application process requiring you to fill out forms. Some have common application forms to apply to multiple at the same time.

If you have experience in applying to your state or federal government for funding. Applying to foundations is simpler than making a government application. Usually the application is five pages or less. It tends to turn around more quickly. Foundations will send a check with their award notification. In most cases foundation funding turns around within three months. You cannot say that about most government programs.

Where do you find out about these foundations? If you are in a hurry, there are sources I have listed. One is the local library. The local library usually has some documentation either in a big book from the foundation Center, or on an online resource. The Council on foundations. Foundations Court is a good source where your local library will have some resources, whether hardbound books or online resources. Even if the hardbound books are old, 10 or 15 years old, that is okay. Most foundations don't change their information that often.

You have pretty reliable foundation giving interests. Even the application process is probably the same 15 years later after a book was published as this bar was the date the book was published. It is a great place to start.

Guidestar.org has a lot of information about foundations. As well as additional information I have provided. Lastly, foundation websites. Once you have narrowed down the list of potential funders to a manageable size. So you have found 15 foundations to apply to. You can go to the foundation websites. Nearly every foundation has a website to talk about what their interests are. They may even have their 990 posted on their website. You can find a lot of good information on their website. The more information you can get about the funders the better you will be in your grant speaking.

You may want to put together a written plan. Not that this plan will be something that you can spin out to every foundation. You probably have to customize elements of the plan to meet the requirements of each foundation you're applying to. It's good to have a basic plan. It helps to plan. What specific challenges do you have to overcome? What you are planning to do and how the project creates a benefit. How is life in your community going to change from not having the funding to having the funding? These can all be included in the plan. Also, it allows you to rally additional resources around the community, whether you involve police, fire or other management service providers, schools, public health agencies, or hospitals. All of these different organizations can play a part in your project depending on the nature of your project. It helps to rally those resources before you actually start going after funding.

As I mentioned, all of the different organizations have other funding sources they can apply to as well. It also helps strengthen your proposal to the foundation you are planning to apply to. Also it helps to find a governance structure. If you have a \$200,000 project you may want to put together a governing structure that organizes all of your activities. Smaller projects, \$10,000, wouldn't necessarily need a government structure.

Lastly a detailed budget. Something to draw from so that when you are writing to a foundation to ask for \$10,000 of your \$200,000 project. You can say, I need \$10,000. The total project is going to be \$200,000. Here is what we plan to do with the remainder of the money and here's what the total budget of what it will be used for. This is great information.

I want to go through 10 tips on engaging foundations. These will be review for many of you. Hopefully it will be a good head start for those getting started. Learn as much as possible about each foundation to which you intend to apply. They all have different characteristics and interests. Trustees make up different personalities. You want to understand what the foundation is about to make sure you are selecting the best foundation as prospects for your short list to spend the time to understand, and make a proposal to, etc.

Number two. Involve others in your project to make sure everyone has a purpose. You don't want people or organizations involved not contributing meaningfully to your project, while collaboration is encouraged to file with nearly every funder. Unnecessarily collaboration will be frowned upon. Customize each proposal to the specific requirements of the funder. Don't take a shotgun approach and spin out the same basic plan to every funder. They want different pieces of

information. Some focus more heavily on address than needs. Some look at how this impacts emergency readiness in the particular defined area. You have to customize the proposal to emphasize a point the foundation is specifically looking for in their application requirements.

Get feedback for non-winning proposals and use it in future proposals. Normally anyone from a foundation to government agency. Anyone who is making grants. And turning you down in a particular proposal will tell you why they are turning you down. You may get a formal letter, but it helps to say we really want to improve our project and our proposal. How can we do that? They should tell you where they saw a shortcoming and why.

Include only support letters that demonstrate a real commitment on the part of the sender. We fill all of support letters that come from various places. They basically emphasize the kind of general support or for a project. They think it is a great and wonderful project. It doesn't really mean much or it doesn't have a lot of meat on the bones. You want to make sure any support letters that you include with your proposal articulate that the person who is sending the letter understands that they have a role in the project and they are committed to doing the project being funded.

That is a very powerful statement. Make grant seeking part of your agency strategy. Don't put all of your eggs in one basket. In some cases, reasons have nothing to do with your proposal. They may have just run out of money or decided without a lot of public information that they will focus on a particular aspect of math and science education. They are not going to focus on emergency management. For reasons you may not be privy to. You're one grant application. Make it something you do continuously to create a pipeline of grant prospects.

Be specific in your budget. Most funders have generous allowances because they want to know what they are planning to spend their money on. Be as specific as you can.

Have an outsider edit your proposal before you submit it. Be sure your proposal has a very clear consistent narrative. Make sure you are not using all acronyms or jargon. Your outsider should not be in the field or involved in the development of your project.

Follow directions. We hear from funders all of the time. About one third of their applicants don't follow the basic directions provided. Therefore the applications are rejected. Be sure to follow all the directions provided. Sometimes the directions seem unnecessary. Some cases they probably are. But it is a good idea to follow all of them.

That is all I have for today. Feel free to contact me and thank you for allowing me to present today.

Thank you Michael. I like to thank all of our speakers. I will now turn it over to Steve who will go over the process for Q & A.

We are now in our Q & A period. You see a white chat box. Please feel free to type any questions you may have from today. We will select the questions and direct them to the appropriate presenter. We will try to get to as many questions as possible. I would like to remind

everyone that this is being recorded and we will post the audio recording of the webinar as well as all the presentations on the website. In addition, we will also post the transcript so that you can read along.

We have a question from Rick. What percent of Trenton has become 501C3 to generate income?

We actually don't know precisely what percentage has become 501C3. We do know that one in three programs throughout the country do not use one dime of federal funding.

Okay. Thank you.

We are getting a lot of questions on CERT. There is a toolkit that provides specific guidelines with examples from us, articles of incorporation, policies etc.

Fire corps put together a toolkit and we actually have sample Bylaws and articles of incorporation. We have sample 1023 forms already filled out. So that you can look at them.

We are not currently developing a toolkit specifically for 501C3 status. However we are putting together a resource development guide for CERT programs. It should be coming out in the fall of 2012.

Our next question comes from Tim Albertson. Can you provide specific examples of CERT or Citizen Corps that have partnered with local governments?

In Illinois they have specific requirements. It must be a local unit of government that sponsors Citizen Corps. All 91 of ours are sponsored. Yes, the vast majority partner with local governments.

Another question. Has anyone partnered with local school systems?

We have a couple of different ones. The point where they have a mascot. There are really cool initiatives out there. We need to do a better job of publicizing. That is only one example. I know they exist all over the country.

I want to say that in some cases, the schools can leverage other funding sources, readiness and the urgency school programs, school safety and initiatives. There are programs at schools that can get funding for and bring the Citizen Corps initiative into participation with the schools without Citizen Corps having to do it itself and obtained funding.

This is Dante Randazzo. CERT training is funded by some high schools as well.

Is a tribal government able to act as an umbrella organization to receive funds for CERT groups?

Dante Randazzo. Yes. A tribal government can act as an umbrella for certain groups. But only if it in itself is a 501C3 organization.

We have seen where tribal governments act as an umbrella in terms of receiving the funds that support CERT groups. Depending on the nature of the initiative. One way to look at this umbrella of relationship is in terms of what function of the project FEMA undertakes. More so than for specifically is going to provide the umbrella for the funding. You may have different types of projects underway and you have different types of organizations all taking and receiving and registering of funds that benefit your CERT or Citizen Corps programs. They may be doing different things and managed by different organizations. That is specifically true for tribal governments.

Dante Randazzo. In addition, apart from if the tribal government has a tax ID number. A Citizen Corps or CERT program could use the tribal government tax ID number.

Do you foresee an issue with local government no longer sponsoring a CERT program if it becomes a 501C3? I have seen the opposite. Local governments and Citizen Corps programs where they have found they were so tightly scripted with what they were allowed to do, the group becomes a 501C3 to branch out and get more resources. In some instances, sponsoring organizations really want to keep that Citizen Corps or CERT from going into something they don't feel they should. For the most part they usually are supported.

Can becoming 501C3 separate the government agency they serve and not be covered by a community workers comp and liabilities program?

I have a program we have started in Oregon that was part of a fire department governmental agency. They became a 501C3 separately from that. The agency they are tied to covers them with workman's comp and liability. It still works out that way. It doesn't necessarily cause a problem. It can, if the government agency decided to declare them as part of their group.

For a transportation vehicle, should one apply for a government foundation or look at CERT equipment?

All of the above.

It depends on what the transportation vehicle is going to be used for. If it's going to be used to transport disabled individuals in the event of a disaster, they qualify for government funding. If it's going to be used as a general emergency management vehicle, the foundation funding may be a better source for that. Although in some cases, other government funding programs like the state homeland security was mentioned. Specific government programs maybe broad enough to support the vehicle as well. If it is a vehicle the fire department purchases, it depends on the nature the vehicle is used for.

Thank you. What about regional councils? Are they working?

I will speak to that. I don't know the answer to that yet. Is an interesting concept as we streamline the way we do business to become competitive in other grant evidence? Can a regional council be of use? We ask that question in our survey of Illinois jurisdictions. People were kind of open

for it but the mechanics of who is in charge can focus the money I think can potentially be a drawback. You'll see people become more interested in the idea.

In Oregon, I helped a regional Citizen Corps receive 501C3. It was one of the best moves we did to help improve their program. They were set up so they could be funded by smaller grants out to local constituencies. A lot of foundations in Oregon, and especially one in particular. Your project has to be \$50,000 or more to even apply. Because they are a regional group, they are allowed to do that.

Does the funding support CERT programs include wages for the coordinator and instructors or are they all expected to be volunteers?

This is Dante Randazzo. Currently in terms of how local CERT programs and managers are compensated, 49.5% of local CERT managers are paid, 47.7% are volunteers. About 50-50. Funding can be used for instructors or can be put towards other purposes as well.

I also want to add something about regional councils; Heidi noticed that they are working well.

We had a webinar in March; the first funding webinar. We had a presentation from Jeff Johnson who provided an overview of the regional process and how it relates to funding.

Does the grant aid have to be specific for paying staff?

From a foundation standpoint, you want to be as specific as possible. In terms of breaking down how categories of funding are going to be used. Paying staff is one category. You need to specify that a certain amount was being used. At best, indicate specifically how the staff will be paid.

We have time for about one more question. Has Citizen Corps worked with other states in specific proposals or other objectives?

We are fortunate that most of the FEMA regions have community preparedness officers. We have had an interesting partnership with Indiana where we have stolen ideas from each other relative to the trainer. It is becoming about having the FEMA relationship to promote the partnerships.

Is there anything else?

At this time, I think we are about out of time. I think we have a survey ready to get a quick assessment of whether or not the proposal or this presentation was useful. I want to thank our speakers for making the presentations and sharing their time, and also taking your questions. Thank you everyone for joining. We hope this was helpful for you. We want to be a resource to you and provide technical assistance to you, but we need your input and to tell us what you need from us. Thank you for joining and we hope this was helpful. Feel free to rate our webinar. Thank you.