

Is Your Organization Grant Ready?

Frequently, an organization will identify the need for additional funding and determines that obtaining a grant is the solution. Or, a well-meaning board member will tell a staff member to "get a grant," to meet the funding deficit. Or, a newly formed nonprofit decides that grant funding is their key to success. **However, before spending a lot of time and money applying for grants, determining grant readiness is a recommended best practice.**

According to Debbie DiVirgilio, President of the [Grant Professionals Association](#), organizations can use the following questions to determine if you are ready to pursue grant funding for your organization.

1. **Is the organization incorporated as a 501(c)(3) tax exempt organization?** While this may seem basic, it is important that the organization has obtained its IRS approval before seeking grant funding. Many foundations and government agencies request a copy of the letter along with the grant proposal. For those that do not request the letter, they will frequently use a sophisticated database to verify that the organization has indeed received 501(c)(3) tax status.
2. **Can your organization demonstrate success?** Most funders are seeking to partner with organizations that have a proven track record of success. What can you say about your experience and successes? For new nonprofits, it is important to discuss how/why your organization is unique and how it will be approaching the issues you have identified. It should be noted that new and emerging nonprofits will often find it difficult to obtain grant funding until they are able to document some success. **Foundations will often consider a nonprofit a new organization for three years. During this time, the organization should seek funding from individual donors and engage in other fundraising activities.**
3. **Does the organization have a financial management system in place?** Generally Accepted Accounting Principles (GAAP) should be used to track revenues and expenditures within the organization. Documenting the use of these principles will demonstrate to a funder that the organization manages its funds well.
4. **Has the organization met its local, state, and federal reporting requirements?** Along with tax exempt status come additional responsibilities. At the federal level, nonprofits are required to submit an annual 990 or 990 EZ. This document is the "tax form" for nonprofits. Many states and localities also have documents that must be submitted on an annual basis to maintain tax exempt status.

5. **Does the organization have a clear mission statement?** Organizations need to have a clear sense of their purpose, in other words, they need to ask themselves “why do we exist.” Then, identify potential funding sources that align with their mission. Mission drift occurs when organizations begin chasing dollars instead of focusing on obtaining funds to support their purpose.

In addition to these five key questions, DiVirgilio suggests that organizations need to spend some time pulling together documents and information about the organization and its accomplishments in preparation for proposal submissions. *Some documents to gather include:

- Brochures
- Copies of the IRS Tax Exemption Letter
- Listing of the board of directors and their professional affiliations
- Current Financial Statements, 990 and audit
- Newsletters
- Current Strategic Plan
- Articles of Incorporation and By-laws
- Current Organizational Budget
- Resumes for current key staff
- Annual Report
- Publicity received by the organization

Having these documents in one place will make the grant submission process less stressful.

From <http://grantprofessionals.org/resources/press-releases/77-gpa/641-is-your-organization-grant-ready>

* For a more detailed list, see the last page.

July 31, 2013



Pre-Research Questionnaire

Please fill out these questions to better prepare for a productive grant researching process. If you find that it is hard to answer many of these questions you may not be ready to start researching just yet. If you are able to fill out most of these answers, you will find it easier to locate prospects who match your current profile and needs.

1. Is the organization you represent a non-profit? **Yes** No
If you answered NO to question #1 are you sure you qualify to apply for grant funding?
2. If applicable, what specific type of funds are you hoping to locate – list all that apply? (programming funds, general operating funds, capital campaign, equipment, etc.)
3. What is the annual operating budget of your organization and/or program if applicable?
4. What is your FY beginning and end date?
5. How many full time employees work at your organization? Part-time employees?
6. If you are seeking specific project/program funding list those needs so you can find funding for those needs. Also, what are the dollar amounts associated with your need(s). For example... we need \$2,500 to pay for our annual audit so we can qualify for more funds, or we need \$50,000 to repair our roof, or we need \$3,750 to purchase 20 new steel kennels with locks etc.
7. What type of work does your organization do or what service(s) do they provide?
8. Where does your organization currently get most of its' financial support? (grants – if so which ones, individuals, clients, private foundation etc.) Please list actual grants you have received, funds you get regularly, as well as foundations you have solicited and been declined funding, etc. so you do not duplicate your findings. You may need a separate sheet with this list.
9. Does your organization serve a specific area (county, city, region etc.) or population (youth, elderly, homeless, etc.) **Yes** No

If you answered Yes to Question #9 please list those details and list the county where your organization is located, as well as all of those it serves.



GRANT READINESS CHECKLIST

PURPOSE

Items you will need for many grant proposals that you should have in an easily accessible location. Review all and prepare, locate, or create those that you do not have current or available.

ORGANIZATIONAL BACKGROUND

- | | |
|--|---|
| <input type="checkbox"/> Address, Phone, Web Address | <input type="checkbox"/> Target Population |
| <input type="checkbox"/> History of Organization (narrative) | <input type="checkbox"/> Current Programs/Services Descriptions |
| <input type="checkbox"/> Year Established | <input type="checkbox"/> Number Served in Previous Year |
| <input type="checkbox"/> Mission, Vision, & Values Statements | <input type="checkbox"/> Number FTE |
| <input type="checkbox"/> Service Area/Location Addresses/Contact Information | <input type="checkbox"/> Other/Notes |

TAX DOCUMENTS

- | | |
|---|---|
| <input type="checkbox"/> Tax Exempt Status Letter | <input type="checkbox"/> Dun & Bradstreet Number (DUNS) |
| <input type="checkbox"/> IRS Form 990 | <input type="checkbox"/> SAM Registration |
| <input type="checkbox"/> W-9 | <input type="checkbox"/> Other Registrations as necessary |

FINANCIAL INFORMATION

- | | |
|---|--|
| <input type="checkbox"/> Detailed Organizational Budget | <input type="checkbox"/> Program/Project Budgets |
| <input type="checkbox"/> Financial Statement (recent) | <input type="checkbox"/> Sources of Funding |
| <input type="checkbox"/> Most Recent Audit | <input type="checkbox"/> Other/Notes |

GOVERNANCE

- | | |
|--|--|
| <input type="checkbox"/> Board of Directors (including affiliations & contact information) | <input type="checkbox"/> Articles of Incorporation |
| <input type="checkbox"/> Organizational Chart | <input type="checkbox"/> Executive Director/President/CEO Bio |
| <input type="checkbox"/> Current Strategic Plan | <input type="checkbox"/> Executive Director/President/CEO Compensation |

PROGRAM/PROJECT INFORMATION

- | | | |
|---|---|--|
| <input type="checkbox"/> Detailed Program/Project Description | <input type="checkbox"/> Target Population | <input type="checkbox"/> Staffing Structure/Org Chart(s) |
| <input type="checkbox"/> Year Established | <input type="checkbox"/> Number Served in Previous Year | <input type="checkbox"/> Job Descriptions |
| <input type="checkbox"/> Location Address | <input type="checkbox"/> Current Outcome Measures | <input type="checkbox"/> Resumes/Bios of Key Staff |
| <input type="checkbox"/> Contact Information | <input type="checkbox"/> Outcomes from Previous Year | <input type="checkbox"/> Success Story |

OTHER DOCUMENTATION

- | | | |
|---|--|--|
| <input type="checkbox"/> Corporate Compliance Plan | <input type="checkbox"/> Letters of Support | <input type="checkbox"/> Solicitation License (where applicable) |
| <input type="checkbox"/> Performance Improvement Plan | <input type="checkbox"/> Collaborating Partners | <input type="checkbox"/> Articles of Incorporation & By-Laws, including year established |
| <input type="checkbox"/> Policies/Procedures | <input type="checkbox"/> Contracts | |
| <input type="checkbox"/> Best Practices Utilized | <input type="checkbox"/> % of Board Giving Financially | |
| <input type="checkbox"/> MOAs/MOUs | <input type="checkbox"/> History of grants received and denied | |