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WRITING AN EFFECTIVE GRANT PROPOSAL

OVERALL CONSIDERATIONS

An effective grant proposal has to make a compelling case. The idea must be not only good but also well-presented. Here is a checklist of things to be considered:

- All of the requirements of the funding source must be met: prescribed format, necessary inclusions, deadlines, etc;
- The proposal should have a clear, descriptive title;
- The proposal should be a cohesive whole, building logically, with one section leading to another; this is an especially important consideration when several people have been involved in its preparation;
- Language should be clear and concise, devoid of jargon; explanations should be offered for acronyms and terms that may be unfamiliar to someone outside the field;
- Each part of the proposal should provide as brief a narrative as possible, with supporting data relegated to an appendix.

At various stages in the proposal writing process, a number of interested and disinterested parties should review the proposal. Each time your proposal is critiqued, you should probably rethink the project and its presentation. While such revision is necessary to clarify the proposal, one of the dangers is that the proposal loses its original appeal. Somehow, you should convey your excitement about the project. Make it interesting!

PARTS OF THE PROPOSAL

Cover Letter (foundations and corporations)

The cover letter should be written on the applicant's letterhead and signed by the organization's highest official. It should be addressed to the individual at the funding source with whom the organization has dealt and should refer to earlier discussions. While giving a brief outline of the needs addressed in the proposal, the cover letter should demonstrate a familiarity with the mission of the grant making organization and emphasize the ways in which this project contributes to these goals.
Summary or Abstract

Although the summary is placed as the first item in the proposal, it should not be written until the rest of the proposal has been developed. The summary should include a description of the applicant, a definition of the problem, a statement of the objectives, an outline of activities and procedures, a description of the evaluation design, a plan for the project, and a statement of cost.

Introduction

In the introduction, applicants describe their organization and demonstrate that they are qualified to carry out the proposed project. This section should give a brief history of the organization, its mission, and its accomplishments. It should tell about the qualifications of its professional staff and should list its board of directors. Reference should be made to grants, endorsements, and press coverage the organization has already received. (Supporting documents can be included in the Appendix.) Applicants should indicate whether funds for other parts of the project are being sought elsewhere. Such evidence will strengthen the proposal by demonstrating to the reviewing officer that all avenues of support have been thoroughly explored.

It is in the introduction that applicants show that they are a good investment. Statements made here should point out that the overall goals and purposes of the applicant are consistent with those of the funding source.

Problem Statement or Needs Assessment

This section lays out the reason for the proposal. It should provide well-documented evidence of a specific problem, explained from the beneficiaries’ viewpoint. One of the pitfalls to be avoided is defining the problem as a lack of program or facility, i.e., giving one of the possible solutions to a problem as the problem itself. For example, the lack of a medical center in an economically depressed area is not the problem. The problem is that poor people in the area have health needs that are not currently being addressed. The problem described should be of reasonable dimensions, and the targeted population and geographic area should be clearly defined. It should include a retrospective view of the situation that describes past efforts to ameliorate the problem along with projections for the future. Statistics and statements from authorities in the field must support the problem statement, which is developed with input from the beneficiaries. You must make the case that the applicant organization is fit to address the problem because of its history, skills, and accomplishments.

Objectives

Once the needs have been described, proposed solutions have to be set forth wherever possible in numerical terms. The affected population, time frame, and
specific outcomes must be defined. These measurable objectives form the basis for judging the effectiveness of the program. It is important not to confuse objectives with methods toward those ends. For example, the objective should not be stated as "building a prenatal clinic in Adams County," but as "reducing the infant mortality rate in Adams County to X per cent by a specific date."

A suggested approach is as follows:

What is the problem/need/gap in knowledge to be addressed? (PROBLEM)

What are the proposed outcomes that will address these problems? (OBJECTIVES)

Why is it important to accomplish these objectives? What impact will it have? (SIGNIFICANCE)

How will each objective be accomplished? What activities will take place and when? (METHODS)

Who will carry out each activity? (PERSONNEL)

What equipment and facilities are required to carry out each activity? (EQUIPMENT/FACILITIES)

What costs will be involved in the activities, personnel, equipment, and facilities? (BUDGET)

How will it be seen whether the objectives were accomplished? (EVALUATION)

**Methods or Procedures**

Just as the statement of objectives builds on the problem statement, the description of methods or procedures builds on the statement of objectives. For each objective, a specific plan of action should be laid out. It should delineate a sequence of justifiable activities while indicating the proposed staffing and
timetable for each task. This section should be carefully reviewed to make sure that what is being proposed is realistic in terms of the applicant’s resources and time frame.
Evaluation

An evaluation plan should be a consideration at every stage of the proposal's development. Data collected for the problem statement form a comparative basis for determining whether measurable objectives are indeed being met by the proposed methods or whether changes should be made.

Among the considerations will be whether evaluation will be done by the organization itself or by outside experts. The organization must decide if experts are impartial and respected enough to justify the added expense or if the staff can quickly accomplish goals.

Methods of measurement (standardized tests, interviews, questionnaires, observation, etc.) will depend upon the nature and scope of the project. Procedures and schedules for gathering, analyzing, and reporting data will need to be spelled out.

Future Funding

The last narrative part of the proposal explains what will happen to the program once this grant ends. It should describe any prior commitments of support for a successful demonstration project. It should outline all other contemplated fund-raising efforts and plans for applying for additional grants. Furthermore, it should give projections for operating and maintaining facilities and equipment.

This is the place to indicate whether any income will be generated by the project either in the form of service-based fees or salable products.

Budget

While the degree of specificity of any budget will vary depending upon the nature of the project and the requirements of the funding source, a complete, thoughtful budget serves to reinforce the applicant's credibility and to increase the likelihood of the proposal's being funded. The estimated expenses in the budget should build upon the justifications given in the narrative section of the proposal. A well-prepared budget should reasonably demonstrate that the funds being asked for will be used wisely.

The budget should be as concrete and specific as possible in its estimates. Every effort should be made to be realistic, to estimate costs accurately, and not to underestimate staff time.

Before the budget is put into final form, it should be reviewed for cost effectiveness. It may be necessary to go back to the narrative to explain any seemingly high costs.
Appendix

Lengthy documents, which are referred to in the narrative, are best added to the proposal in the Appendix. Examples include letters of endorsement, partial lists of previous funders, key staff resumes, annual reports, statistical data, maps, pictorial material, and articles about the organization.

Each section flows from the one before it. The presentation of an organized, logical proposal is the most effective means of communicating to a reviewer the details of the proposed work and the organizational skills of the investigator.

There is no secret formula guaranteed to produce a perfect proposal. You can prepare a more effective document, however, if you keep certain general principles in mind.
Budget
Budget & Budget Narrative

Preparing a List of Object Class Categories:

A. Personnel  
B. Fringe Benefits  
C. Travel  
D. Equipment  
E. Supplies  
F. Contractual  
G. Construction  
H. Indirect Costs  
I. Other

Keep in mind that you can obtain successful grant applications for similar projects from the awarding agency due to the Freedom of Information Act.

Personnel

Resources for estimating salaries and wages include:

- National Compensation Survey – provides earnings data by worker characteristics, by establishment characteristics, and by geographic area;
- Occupational Employment Statistics – annual national data on employment and wages for about 750 occupations and 400 nonfarm industries, plus occupational data by geographic area; and
- Covered Employment and Wages – comprehensive employment and wage data by industry and by geographic area for workers covered by State Unemployment Insurance laws.

This information can be accessed on the Internet at: [www.bls.gov/ocs/](http://www.bls.gov/ocs/)

In addition, you can find information about salary, wage, and fringe benefits through:

- State employment agencies;
- Your local U.S. Chamber of Commerce
- Privately published surveys such as Guide Star’s yearly Nonprofit Compensation Report
Remember that, if you do not want salary information released to the public, then you need to indicate this to the awarding agency by noting that the information is privileged or confidential.

**Travel Costs**

Travel costs typically include transportation, lodging, meals, and incidental business expenses. In developing your budget estimate for travel, you will calculate costs for the following elements:

- Conference seminars or training sessions (place to be visited)
- Number of visits
- Type of lodging
- Length of stay
- Number of persons traveling
- Mode of transportation (**coach class fare**)  
- Per diem costs per person (according to your travel policy)

Generally, you want to plan for the least expensive mode. A train or bus might be cheaper than airfare in most instances, but much more time consuming. The additional time it takes for ground transportation could affect the project negatively. Grant funding should cover coach class fares only.

As with all aspects of your budget, you must be able to justify all travel-related costs. Is a rental car essential for certain trips? You should be prepared to explain why.

Explain in the budget narrative how the travel figure was calculated and discuss other details regarding travel costs.

**Equipment**

Equipment is defined as tangible personal property having a useful life of more than one year and an acquisition cost per unit of $5,000 or more. Many organizations have a lower threshold for equipment such as $500.

Example: According to the federal government: a computer that has a per unit cost of $1,200 would be classified as a supply. For internal purposes, your organization would classify a $1,200 computer as equipment.
Equipment costs must be verifiable, reasonable, allowable, and allocable to project activities. Before budgeting for the purchase of new equipment, you should investigate alternatives:

A. Is the equipment available elsewhere in your organization?
B. Can you obtain the equipment through the General Services Administration (GSA) or your state’s surplus equipment inventory?
C. Is a lease more economical than a purchase?

Take advantage of the procurement office in your organization.

Supplies

Supplies are consumable, expendable, and of relatively low unit cost (less than $5,000). Most budgets do not reflect a breakdown of every item of material or supply. Instead, these items are lumped together into the one cost category.

Contractual

Many applicants find it more effective to use outside sources to provide services rather than using in-house resources. As a result, proposed grant budgets often include categories for costs such as sub-grants, consultant services, or other contracts. Refer to A-102 and A-110 for additional information. (http://www.whitehouse.gov/OMB/grants/index.html)

Examples of consultants include health professionals, educators, program specialists, agriculturalists, engineers, accountants, and other professionals providing temporary services. Contractual services include computer technicians, electricians, maintenance contracts, and leases on rental equipment.

Sub-recipients include individuals or organizations working on aspects of your mission under the grant.

Comprehensive records of contract and sub-award agreements must be maintained. Rates and total amounts must be reasonable.

Space Rental
Rental costs typically include rent, maintenance, utilities, insurance, and related taxes. Rental costs associated with many projects are charged to grants as part of the indirect cost pool. In some cases, rental space is a category under direct costs. It may be included in the other category. Suggested rates are published in GSA schedules. GSA also suggests limits on the amount of space allocated for different classes of federal workers. Many federal agencies use GSA standards to assess reasonableness of budget requests regarding rental space.

**Indirect Costs**

Indirect costs are costs of an organization that are not readily assignable to a particular project, but are necessary to the operation of the organization and the performance of the project. This category includes operation costs, administrative salaries, and depreciation.

**APPROVED PLAN AVAILABLE**

1. The awarding agency may accept any current indirect cost rate or allocation plan previously approved for a recipient by any Federal awarding agency based on allocation methods substantially in accord with those set forth in the applicable cost circulars.
2. Where the approved final indirect cost rate is lower than the actual indirect cost rate incurred, recipients may not charge expenses included in overhead pools (e.g., accounting services, legal services, building occupancy and maintenance, etc.) as direct costs.
3. Organizations with an approved indirect cost rate, utilizing total direct costs as the base, usually exclude contracts under awards or corporation agreements from any overhead recovery. The negotiation agreement will stipulate that major subcontracts are excluded from the base for overhead recovery. The term subcontract means any contract awarded under the award or corporation agreement.

**NO APPROVED PLAN**

If a recipient does not have an approved federal indirect cost rate, funds budgeted for indirect costs will not be recoverable until a rate is approved. A special condition prohibiting drawdown for indirect cost reimbursement until an indirect cost rate has been approved and a grant adjustment notice retiring the special condition has been issued will be added to the award.

**Exception:** If the Office of Management and Budget (OMB) has not assigned a federal agency with cognizance for a local jurisdiction, then the unit of government is not required to submit its indirect cost proposal unless the new cognizant agency (based on preponderance of federal dollars) requires a copy of the proposal.
ESTABLISHMENT OF INDIRECT COST RATES

1. In order to be reimbursed for indirect costs, a recipient must first establish an appropriate indirect cost rate. To do this, the recipient must prepare an indirect cost rate proposal and submit it to the cognizant Federal agency. The cognizant Federal agency is generally determined based on the preponderance of Federal dollars received by the recipient.

2. Local units of government need only submit their cost allocation plans and indirect cost proposals if specifically requested by their cognizant Federal agency assigned by OMB.

3. The proposal must be submitted in a timely manner (within nine months after the end of the fiscal year) to assure recovery of the full amount of allowable indirect costs. The proposal must be developed in accordance with principles and procedures appropriate to the type of institution involved.

4. To support the indirect cost proposal, federal recipients are responsible for ensuring that independent audits of their organizations are conducted in accordance with existing Federal auditing and reporting standards set forth in OMB Circular A-133. This audit report must be submitted to the cognizant agency to support the indirect cost proposal. After negotiations, the cognizant agency will establish a predetermined, provisional, final, or fixed-with-carry forward indirect cost rate. (“either” implies 2 things)

5. A signed certification requesting an indirect cost rate from the grant-ee organization must accompany the indirect cost allocation plan. This organization must certify that the indirect cost allocation plan only includes allowable costs.

6. Copies of brochures of indirect cost rates that may describe the procedures involved in the computation may be obtained from the U.S. Superintendent of Documents, United States Government Printing Office, and Mail Stop: SSOP, Washington, DC 20402-9328.


COST ALLOCATION PLANS-CENTRAL SUPPORT SERVICES

State agencies and local units of government may not charge to an award the cost of central support services supplied by the state or local units of government except pursuant to a cost allocation plan approved by the cognizant Federal agency. The rate
to be applied may be fixed, predetermined, or fixed-with-carry-forward provision.

**LOBBYING COSTS AND THE INDIRECT COST POOL**

When an organization seeks reimbursement for indirect costs, total lobbying costs shall be separately identified in the indirect cost rate proposal and thereafter treated as other unallowable activity costs in accordance with the above procedures and Attachment a of OMB Circular A-122.

1. Organizations shall submit, as part of their annual indirect cost rate proposal, a certification that the requirements and standards have been followed.
2. Organizations shall maintain adequate records to demonstrate that the determination of costs as allowable or unallowable pursuant to Attachment B of OMB Circular A-122 complies with the requirements of the Circular.
3. Time logs, calendars, or similar records shall not be required to be created for purposes of complying with this section during any particular calendar month when:
   a. The employee engages in lobbying, as defined above;
   b. Twenty-five percent or less of the employee's compensated hours of employment during that calendar month constitutes lobbying as defined above; and
   c. Within the preceding five-year period, the organization has not materially misstated allowable or unallowable costs of any nature, including legislative lobbying costs.
4. When organizations meet conditions (a) and (b), they are not required to establish records to support the allow ability of claimed costs in addition to records already required or maintained. Also, when conditions (a) and (b) above are met, the absence of time logs, calendars, or similar records will not serve as a basis for disallowing costs.

**APPROVING RATES FOR SUBRECIPIENTS**

This is the responsibility of the direct recipient. The Federal awarding agency will not approve indirect cost rates beyond the direct recipient level.

**Cognizant Agency**

The federal agency, which, on behalf of all federal agencies, is responsible for implementing the requirements of the Single Audit Act, which include reviewing, negotiating, and approving cost allocation plans, indirect cost rates, and similar rates; receiving and approving non-federal audit reports; conducting federal audits as necessary; and resolving cross-cutting audit findings.
Matching (Soft, In-kind, Hard, Cash) and Cost-Participation Awards

Some grant programs, both private and federal, require recipients to provide a percentage of project costs from another source. The other source could be the applicant itself or another grantor. A matching award means the grantor will match the equivalent of the contribution obtained from another source. On a participation award, the grantor requires the applicant to contribute a percentage of the project cost that could range from as little as 10% or 15% to as much as 85% or 90%. The matching or participation award requirement varies from program to program. The minimum matching or participation share is often set by law or regulation and, therefore, cannot be reduced below the minimum requirement.

*Note: in some federal agencies, even when cost-sharing is not required by regulation or statute, applications which include a voluntary cost-share are given preference for funding over applications which do not include a cost-sharing component.

Contributions from other sources can be provided in four ways:

A. Cash
B. In-kind supplies or services
C. Program income
D. A combination of these

The “nonfederal share” includes contributions to a project that are not covered by federal funds.

Program and Grant-Related Income

Program and grant-related income is defined as gross revenue earned by a grant recipient that is directly generated by a grant-supported activity or earned because of a grant award. Grant recipients are accountable to the government for any income earned due to a grant and must report it on the Financial Status Report (SF 269). The Standard Form 424 requires applicants to estimate the amounts of anticipated program income.

The Budget Narrative

A budget narrative serves to define and to explain budget elements, especially major costs and those marked by complex calculations. A budget narrative is not always necessary. If your budget is simple, straightforward, and clear, a written justification may simply repeat the obvious.

In your narrative, discuss those aspects of the budget that require explanation. If you do not discuss certain elements, your proposal may be questioned or even rejected. Most agencies will want to know the components of your fringe benefit rate.
Every cost item in your budget should be necessary to carry out the proposed project. A common mistake made by grant applicants is including computers and accessories in the budget without relating the size and type of computer equipment to the mission of the project. The mere desire to own or to work with a state-of-the-art computer and the latest software is not a sufficient justification for including them in your budget. Failure to discuss this need fully could bring your entire proposal under scrutiny for inconsistencies and weaknesses.
Other
Attachments
Attachments to the Grant Application

Attachments to the grant application are documents that provide additional information to the grant-making agency. Sometimes it is necessary to include documents, since the information may be distracting if included in the main body of the grant proposal.

Attachments to a foundation or corporate proposal should be limited. It is an imposition to suggest that a reviewer plod through many pages of unnecessary additional material. In the case of a government grant, however, the Appendix may be longer than the body of the proposal. It contains material that needs to be submitted to the funding source, but would detract from the flow of the proposal if included in the narrative.

The rationale for any decision about what to include in the body of a proposal should be based on your answering the question, “Do I really want the funding source to read/scan the census runs, flow chart, or job descriptions while reading the proposal?” If the answer is “Yes,” then definitely include the item at that juncture. If the answer is “No,” then include the item in the Appendix and refer the reader to it.

Funding sources will usually stipulate the attachments that they want you to include with your grant application. This will involve a variety of documents, of which it will be ideal for development officers, program planners, grant writers, or related personnel to maintain a file, which can be included in a proposal package. Such items ought to be accessible to you at all times.

Items that are routinely requested by many funding sources include the following:

1. Assurances and Certifications
2. Audited Financial Statement
3. Determination Letter (I.R.S)
4. Nonprofit Corporation Status
5. List of Board Members
6. Organization Chart
7. Organization Budget
8. Summary Chart of Key Activities
9. Negotiated Indirect Cost Rate
10. Letters of Support or of Endorsement
11. Resumes of Key Staffers or of Consultants
12. Job Descriptions/Bios
13. Tables, Graphs, and Charts
14. Budget Narrative
15. Photographs and Architect’s Drawings (if applicable)
16. Any other materials that will help strengthen your proposal

It would be helpful to have an attachment table of contents that lists all attachments included in the grant application. The attachment table of contents will make it easier for the grant reviewer to find all documentation included in the grant packet.

**Assurances and Certifications**

Assurances – Non-Construction Programs (Standard Form 424B)

Certain assurances may not be applicable to your project or program. If you have questions, contact the awarding agency.

Certifications Regarding Lobbying; Debarment, Suspension and Other Responsibility Matters; and Drug-Free Workplace Requirements may be requested by the awarding agency.

**Audited Financial Statement**

Many smaller nonprofit organizations do not routinely have an audit conducted or cannot afford an audit, and an “unaudited” financial statement is often developed by the agency’s bookkeeper/accountant. It is important that applicants know whether the funding source will accept financial statements that have not been audited. A phone call to the funding organization will provide you with the answer.
I.R.S. Determination Letter

This letter from the I.R.S. indicates that your organization is exempt from federal corporate income taxes. It contains important information regarding the basis for your exemption and the requirements associated with maintaining it. In some cases, individual states also grant such exemptions, and copies of both letters may be appropriate for submission.

Nonprofit Corporation Status

The determination of tax exemption is sufficient in that it lists the name of the incorporated nonprofit organization. Funding sources may require a copy of the receipt of nonprofit corporation status granted by the state in which you operate.

Organization Chart

Another useful item is an organizational chart. This chart should include the proposed staffing pattern for the project for which funds are requested and should include the larger agency/department/section to which the new project personnel report. With larger organizations, it is not critical to indicate each position, but one should show units or departments. It is more important that the funding source understands how the organization functions and how boards, committees and staff interrelate. A bio of key personnel working on the project would be helpful.

Organization Budget

Many funders will require submission of an organizational budget for the current or forthcoming program year. This organizational budget differs from the budget for the proposed project. It allows the reviewers to put the grant request in a larger context.

Chart of Key Activities
Most public grant makers require a timeline. This can be done in a variety of formats: monthly, quarterly, or by time elapsed from the initiation of the project. Make sure it is clear.

**Indirect Cost Rate**

You should include a copy of your organization’s negotiated indirect cost rate in the appendix when you are citing a “percentage” amount for indirect costs. Keep in mind that some private foundations may also pay indirect cost rates, but also recognize that some place a limit on the percentage they will pay.

Foundations usually pay considerably less than federal agencies.

**Letters of Support**

These letters should be addressed to your organization’s Executive Director or Board Chairman and submitted along with the proposal as an attachment. Letters should not be sent to the funders under separate cover. Most funders will not accept documents submitted separately.

Letters from elected officials, from other organizations, and from prominent individuals can be submitted as required by a funding source or based on your organization’s decision.

The best way to get letters of support is to draft a letter of support and to share it with potential signers. We do not want too much praise.

**Resumes (Broiler Plate Info)**

It’s best to submit all resumes in the same format, with the exception of academic and medical personnel. They need be no longer than 2-3 pages.

Update resumes of all key staff members on a regular basis.
Job Descriptions/Bios

Sometimes a capsule resume can be included in the body of the proposal, but, in most cases, it should be included in the appendices.
Grants Management
Grants Management

Notice of Grant Award (NGA) is the official document that notifies a recipient organization that it has received a federal award. To understand correctly what that award entails, recipients need to read their NGA carefully and pay close attention to the terms and conditions on the award. When reviewing a notice of grant award, recipients need to scrutinize the document and to look for the answers to the following questions:

Legal Authorities

A number of authorities govern recipients and awarding agencies; some of these authorities apply to both groups, while others apply to only one. Federal agencies are subject to several authorities: statutes, the Code of Federal Regulations (CFR), executive orders, Office of Management and Budget (OMB) circulars and directives, and internal agency policy guidelines.

a. Statutes include both federal legislation passed by Congress and any applicable state or local laws that do not contradict federal statutes. For example, recipients must abide by federal, state, and local civil rights laws.

b. Program Regulations are codified regulations governing specific agency program(s). Generally, these regulations must stem from statutory requirements and must be promulgated through notice and comment rulemaking under the Administrative Procedures Act (APA). This means that they must be published in the Federal Register and subjected to public comment before they become effective. Rules that go through this notice and comment process have the force and effect of law.

c. Administrative Regulations are codified regulations implemented by each grant making agency based upon OMB circulars (now being moved to 2 CFR), executive orders, or statutory requirements that govern the administration of federal grants. These include:

Administrative requirement: (OMB Circular A-102 and 2 CFR Part 215);
Cost Principles (A-87, A-21, and A-122); and
Audit Guidance (A-133)

d. Grant Agreement Terms and Conditions are provisions of grant agreements that incorporate the applicable authorities described above as well as any additional agency requirements.
State, local, or Indian Tribal Government must comply with:

- OMB Circular A-102, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments.
- OMB Circular A-133, Audits of States, Local Governments, and Nonprofit organizations.

Nonprofit organization must comply with:

- 2 CFR 215, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (formerly A-110)
- OMB Circular A-122, Cost Principles for Nonprofit Organizations
- OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations.

Educational Institution must comply with:

- 2 CFR 215, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.
- OMB Circular A-21, Cost Principles for Educational Institutions.
- OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations.

Hospitals must comply with:

- 2 CFR 215, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations.
- 45 CFR 74, Appendix E, Principles for Determining Costs Applicable to Research and Development under Grants and Contracts with hospitals, or other cost principles designated by the awarding agency.
OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations.

Commercial Organizations must comply with:

2 CFR 215 Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (if included in agency implementation)

Federal Acquisition Regulation (FAR) 31.2, Contracts with Commercial Organizations

*For-Profit Organizations generally are not subject to the audit requirements affecting other recipient types.

Sub-awards

A sub-award is a transfer of substantive programmatic work under a grant either through a sub-grant or through a contract. Usually the need to sub-award is identified in the narrative during the application preparation.

Basic monitoring procedures:

Scheduled phone conversations, face-to-face meetings, written progress reports, financial status reports, and site visits.

Site Visits: During a site visit, monitors will more than likely review:

- Program compliance
- Financial system (internal control system)
- Travel system (policy and procedures)
- Personnel system (time and attendance reports)
- Procurement system (policy and procedures)
- Property system (disposition and inventory system)
- Project performance (Government Performance & Results ACT)
- Financial status, progress, and closeout reports
Eight most commonly found oversights found by the General Accounting Office (GAO):

1. An error is an unintentional failure to comply with applicable laws, regulations, terms, or conditions of a grant agreement or an unintentional omission of amounts or disclosures in a financial statement.
2. An irregularity is an intentional misstatement or omission on a financial statement. (example: a questionable travel claim)
3. An illegal act is a violation of law or of regulation. Misuse of federal funds includes two types of illegal acts: those that have a direct and material effect on the determinations of financial statement amounts and those that have a material, but indirect effect on financial statements. (example: bribes)
4. Improper conduct is the noncriminal performance of duties by an agency employee, contractor, supplier, or recipient that contributes to the abuse or waste of taxpayer’s money. (examples: gifts or free lunches)
5. Abuse is the conducting of a government program in a manner that does not meet the public’s definition of prudent behavior, but that does not violate any law, regulation, agreement, or contract.
6. Fraud is an illegal act that involves obtaining something of value through willful misrepresentation. (example: kickbacks)
7. Waste
8. Noncompliance

Budget Changes

Written approval of the grantor agency is required when certain types of post-awards changes are made to the budget. The granting agency exercises stewardship by requiring prior approval. For certain budget and program revisions, read the administrative requirements and the cost principles regarding those requirements for obtaining prior approval.

Grant Closeout

Closeout of the grant occurs when the awarding agency determines that all applicable administrative actions and that all required programmatic work under the grant has been completed, with the possible exception of the final audit. This process completes the grant agreement between the awarding agency and the recipient.
The following reports must be submitted within 90 days after the expiration or termination date of the grant award:

Final progress report (Categorical Assistance Progress Report – CAPR)
Final Financial Status Report (Standard Form 269 – SF269)
Federally owned property report, if applicable

Disposition of Property

Contact the award agency for property disposition. (Refer to A-102 and 2 CFR 215)

Real property means land, including land improvements, structures, and appurtenances thereto, excluding movable machinery and equipment
Equipment means tangible, nonexpendable, personal property (including exempt property) having a useful life of more than one year and an acquisition cost of $5,000 or more per unit.

Supplies means all tangible personal property other than equipment and intangible property as defined in the circulars.

Intangible property means, but is not limited to, trademarks, copyrights, patents and patent applications (OMB Circular A-102 and 2 CFR 215.2)
AAGP CHAPTER OF MONTGOMERY GRANT PROPOSAL

Background and History of the Organization

The American Association of Grant Professionals (AAGP) Chapter of Montgomery was formed in 2005 by a group of local grant professionals to advance craftsmanship as a profession and support local practitioners. Starting with just a few Montgomery-based members, the chapter has rapidly grown to a current membership of 40 individuals who work and live in Southern Alabama and the Black Belt region. As with the other dozens of chapters throughout the United States operating under the guidance of the national American Association of Grant Professionals, the AAGP Chapter of Montgomery focuses on the distinct needs of its own membership. The chapter, whose 501(c)(3) status is pending, operates as a nonprofit entity under the umbrella of the national association. For this funding support request, _________________________ will act as the fiscal agent for the AAGP Chapter of Montgomery. (Additional information on ____________ is in the Community Partners narrative.)

Current Programs and Activities

Despite the chapter’s newness and lack of paid staff, it has held several notable events since 2005 that have enhanced members’ professional knowledge and skills. In March 2006, a Faith-Based Grant Writing Workshop was held at and cosponsored by Auburn University–Montgomery (AUM). The workshop was facilitated by AAGP member Sharon Farris, grant writing guru and author of “Nonprofit Bookkeeping and Accounting For Dummies”. This successful one-day program included funder forums and a hands-on skill-building session with Sharon Farris. Had it not been for the involvement of AUM, the local chapter would not have had the resources to bring in a high-caliber speaker or facilitate the 60 persons who attended from throughout Alabama. The chapter hosts quarterly education meetings for its members. These meetings are held in downtown Montgomery at the Capital City Club. Guest speakers have included representatives from the Birmingham-based Alabama Power Foundation, who talked to members about the foundation’s grant making priorities and allocation process.

AAGP Chapter of Montgomery members participate annually (limited attendance because of funding barriers) in the AAGP national conference. Held in a different major metropolitan area each year, members benefit from informative workshops, roundtable discussions, member receptions, funder exhibits, and individual proposal review sessions. In addition, federal and private-sector grant making program officers make keynote presentations and network with members and their peers from around the United States and the world.

Constituents and Their Involvement
The AAGP Chapter of Montgomery serves 40 grant professionals in and adjacent to Montgomery and the Black Belt region. The membership comprises 33 women and 7 men. The dominance of women grant professionals reflects the AAGP national membership composition. Six elected Board of Directors officers provide leadership and stability to the Montgomery chapter. The chapter offers quarterly educational meetings that focus on grant-related skill-building. Each member brings their own specific expertise about Alabama nonprofit organizations to membership programs—allowing for significant peer sharing.

**Community Description and Partnerships**

Montgomery, the chapter's home base, is a city with a population of over 200,000 people. National media have called Montgomery the capitol of the South—not just of Alabama. Significant to the Montgomery chapter's membership and regional mission is its proximity to the Black Belt region. This large area of economic disparity encompasses 12 counties: Marengo, Sumter, Wilcox, Greene, Macon, Lowndes, Choctaw, Bullock, Hale, Dallas, Perry, and Pickens. Of the 12 Black Belt counties, 8 are ranked among the 100 poorest counties in the entire United States. It is important that the chapter encompasses the region in order to help nonprofit organizations seek competitive grant funding to address some of the economic and social disparities. Despite the limitations of minimal funding and a volunteer administration, the AAGP Chapter of Montgomery has been able to create several partnerships at the local and state levels. Most significantly, the chapter partnered with Auburn University–Montgomery in order to offer a regional grant writing conference. This partnership came about because of Ms. Sharon Farris, the Montgomery chapter's president, approached AUM with an information-sharing idea—a new craftsmanship course—which she now teaches as an adjunct instructor. Planning and holding the conference complemented the launching of the new course. The chapter has also been able to establish a partnership with the Birmingham-based Alabama Power Foundation.

**Key Partner and Fiscal Agent:** (Information about fiscal agent)

**Description of Problems**

Even though the AAGP Chapter of Montgomery’s membership continues to grow rapidly, its limited organizational and financial resources continue to be the barriers preventing it from expanding its services and planning for sustainability. One hundred percent of the chapter’s members are employed full time. This prevents them from being able to utilize their expertise and time to help with chapter management and growth. At this time, the members are only able to attend chapter business and education meetings—now held sporadically. The Board of Directors lacks the skills to conduct internal assessments of their
organization (SWOT analysis), facilitate community trainings, and manage the growth of a critically needed chapter. A recent assessment conducted by a third-party organizational development consultant revealed that the AAGP Chapter of Montgomery needs a salaried or contracted Director of Membership and Program Development. This individual's role would be to focus on building membership, seek competitive grant funding for nonprofit organizations in Montgomery and the Black Belt region, and develop outreach programs to assist nonprofit organizations in the Black Belt region. Currently, the chapter is supported mostly by membership dues. Untrained in board duties, 80 percent of the board members operate in a crisis mode when it comes to capacity building and operations. While each member is a professional expert in her or his job or business, they collectively lack an overall knowledge of nonprofit board members' responsibilities and nonprofit management. These weaknesses result in barriers that prevent the chapter from using their collective assets to train and help others in the community.

**Program Design**

**Purpose Statement:** The purpose of this grant request is to seek a long-term partnership with your organization. This partnership will enable the AAGP Chapter of Montgomery to strengthen its internal organizational capacity, increase its membership, and develop outreach programs to help nonprofit organizations in Montgomery and the Black Belt region win grant funding. Your support, now and in the future, will help the chapter become a model for nonprofit sustainability—not just in Alabama or the South but also for other chapter-type organizations struggling to survive on minimal membership fees.

**Goals:**

1. Strengthen the chapter's internal capacity by hiring a Director of Membership and Development.
2. Provide leadership development and training for the members of the AAGP Chapter of Montgomery.
3. Begin planning for programming and services expansion to help struggling nonprofit organizations in the Black Belt region strengthen their capacities.
4. Offer chapter Board of Directors members the privilege of attending the AAGP annual national conference (to be held in Washington, DC in 2007).

**Objectives:**

1a. By the end of Year 1, increase the chapter’s organizational personnel by 100%.
2a. By the end of Year 1, increase the number of Board of Directors members who have leadership development skills by 90% or more.
3a. By the end of Year 1, increase the chapter’s ability to assist other nonprofit groups in the region by 90% or more.
4a. By the end of Year 1, increase attendance of local chapter members at the AAGP annual national conference by 50% or more.
4b. By the end of Year 1, increase the number of AAGP Chapter of Montgomery Board of Directors members who submit ideas to the national organization’s Call for Proposals and who are selected to present a workshop in their area of expertise by 25% or more.

**Timeline for Strengthening the Internal Capacity of the AAGP Chapter**

<table>
<thead>
<tr>
<th>Activities</th>
<th>1&lt;sup&gt;st&lt;/sup&gt; Quarter</th>
<th>2&lt;sup&gt;nd&lt;/sup&gt; Quarter</th>
<th>3&lt;sup&gt;rd&lt;/sup&gt; Quarter</th>
<th>4&lt;sup&gt;th&lt;/sup&gt; Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hire Director of Membership and Program Development</td>
<td>X</td>
<td></td>
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<tr>
<td>Sponsor membership training</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Expand services</td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
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<tr>
<td>Attend annual national conference</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Attend local conference</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
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<tr>
<td>Conduct outreach programs</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Perform monitoring</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Conduct evaluation</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Gather stakeholder feedback</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
## Logic Model

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Strategies</th>
<th>Outputs</th>
<th>Outcomes</th>
<th>Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant funding</td>
<td>Strengthen the chapter’s capacity.</td>
<td>Increase the chapter’s organizational personnel by 100%.</td>
<td>Members will attain new knowledge and skills in boardmanship, craftsmanship, and nonprofit management that will help to strengthen the internal capacity-building of the AAGP chapter.</td>
<td>Members will acquire the skills needed to help build the internal capacity of the chapter.</td>
</tr>
<tr>
<td>Part-time Director of Membership and Program Development</td>
<td>Provide leadership and development training for members.</td>
<td>Increase the number of Board of Directors members who have leadership development skills by 90% or more.</td>
<td>With a new Director of Membership and Program Development, the chapter will be able to have the stability to focus on membership growth and expansion of outreach services to the Black Belt region.</td>
<td>The AAGP Chapter of Montgomery will provide effective outreach programs in order to help improve conditions of the Black Belt region.</td>
</tr>
<tr>
<td>Accountant to provide grants management, grantor reports, and fiscal responsibilities</td>
<td>Plan for programming and services expansion to help other grassroots nonprofits.</td>
<td>Increase the chapter’s ability to assist other nonprofit groups in the region by 90% or more.</td>
<td>The AAGP Chapter of Montgomery will create systemic changes in the Black Belt region by strengthening grant-seeking capabilities of nonprofit organizations.</td>
<td></td>
</tr>
<tr>
<td>Equipment (computer, printer, phone)</td>
<td>Help board members attend the AAGP national conference.</td>
<td>Increase attendance of local chapter members at the AAGP annual national conference by 50% or more.</td>
<td>By strengthening the internal capacity of the AAGP Chapter of Montgomery, the members will be able to collectively utilize their expertise to impact and better Montgomery and the communities of the Black Belt region.</td>
<td></td>
</tr>
<tr>
<td>Marketing and development (website with e-commerce enabled), brochures, regional marketing, and advertising</td>
<td>Supplies (paper, printer cartridges, notebooks, pencils, pens, legal pads)</td>
<td>Increase the number of AAGP Chapter of Montgomery Board of Directors members who submit ideas to the national organization’s Call for</td>
<td></td>
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</tbody>
</table>

Members will acquire the skills needed to help build the internal capacity of the chapter.

The AAGP Chapter of Montgomery will provide effective outreach programs in order to help improve conditions of the Black Belt region.

The AAGP Chapter of Montgomery will create systemic changes in the Black Belt region by strengthening grant-seeking capabilities of nonprofit organizations.

By strengthening the internal capacity of the AAGP Chapter of Montgomery, the members will be able to collectively utilize their expertise to impact and better Montgomery and the communities of the Black Belt region.
| Proposals and who are selected to present a workshop in their area of expertise by 25% or more. |   |   |
**Impact Statement**

By improving the internal capacity of the AAGP Chapter of Montgomery, members will have the knowledge and skills to address the myriad needs of nonprofit organizations in Montgomery and throughout the Black Belt region. The requested capacity-building funds will strengthen the chapter’s organizational structure. Financial resources will also provide the chapter with the stability needed to focus on increasing membership and training members to help regional nonprofit organizations apply for and win more competitive grants. In addition, with your support, the AAGP Chapter of Montgomery will be able to build stronger partnerships with the state and with foundations and corporate grant makers.

**Evaluation Plan for the AAGP Chapter of Montgomery**

The AAGP Chapter of Montgomery Capacity Building Program will be evaluated qualitatively against baseline data pertaining to membership, staff, current/future programs, and activities. Ms. Sharon Farris, President and Chief Derrick Cunningham, Treasurer of the AAGP Chapter of Montgomery and two grant professionals from state and local agencies will be responsible for collecting and tabulating data from leadership and training seminar surveys, membership rosters, member participation at national conferences, and performance evaluations of the Director of Membership and Program Development. A summative evaluation will be prepared for funders and stakeholders. The program’s performance will be measured quarterly by the Board of Directors using summative data reported by the officers of the chapter.

The AAGP Chapter of Montgomery will share its evaluation findings with other chapters of the American Association of Grant Professionals that would like to replicate its successes. Information will be shared at national and regional conferences. Reports will be posted on the chapter’s website.
AAGP MONTGOMERY, AL CHAPTER  
BUDGET NARRATIVE FOR BLACK BELT SUMMIT- January 22, 2008

<table>
<thead>
<tr>
<th>Budget Line Item</th>
<th>Grant Funds</th>
<th>Matching Funds</th>
<th>Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. Conference Speakers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sharon Farris – Montgomery, AL</td>
<td>$3,500</td>
<td></td>
<td>$3,500</td>
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<tr>
<td>Dr. Jewel Diamond Taylor (Southern, California)</td>
<td>$2,500</td>
<td></td>
<td>$2,500</td>
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<tr>
<td><strong>Speakers Subtotal</strong></td>
<td>6,000</td>
<td>0</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>II. Professional Development</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Planning &amp; Development Consultant</td>
<td>$9,500</td>
<td>$0</td>
<td>$9,500</td>
</tr>
<tr>
<td><strong>Development Subtotal</strong></td>
<td>$9,500</td>
<td>$0</td>
<td>$9,500</td>
</tr>
<tr>
<td><strong>III. Conference Travel &amp; Luncheon</strong></td>
<td></td>
<td></td>
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<tr>
<td>Black Belt Nonprofit Capacity Building Conference 2008 - 10 Mbrs @ $50 each =</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>$500</td>
<td>$500</td>
<td></td>
<td>$500</td>
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<tr>
<td>Conference lunch &amp; refreshment</td>
<td>$2,751</td>
<td></td>
<td>$2,751</td>
</tr>
<tr>
<td><strong>Travel Subtotal</strong></td>
<td>$3,251</td>
<td>0</td>
<td>$3,251</td>
</tr>
<tr>
<td><strong>IV. Supplies</strong></td>
<td></td>
<td></td>
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<tr>
<td>Office supplies, paper, Website hosting, software, notebooks, pens, pencils, publications; local chapter conference materials= $4,000</td>
<td>$4,000</td>
<td></td>
<td>$4,000</td>
</tr>
<tr>
<td><strong>Supplies Subtotal</strong></td>
<td>$4,000</td>
<td>$0</td>
<td>$4,000</td>
</tr>
<tr>
<td><strong>VI. Advertising/Media</strong></td>
<td></td>
<td></td>
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<tr>
<td>Statewide advertising for Alabama Conference</td>
<td>$2,950</td>
<td></td>
<td>$2,950</td>
</tr>
<tr>
<td><strong>Advertising/Media Subtotal</strong></td>
<td>$2,950</td>
<td></td>
<td>$2,950</td>
</tr>
<tr>
<td><strong>X. Other</strong></td>
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<tr>
<td>Miscellaneous- postage, etc.</td>
<td>$250</td>
<td></td>
<td>$250</td>
</tr>
<tr>
<td><strong>Other Subtotal</strong></td>
<td>$250</td>
<td></td>
<td>$250</td>
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</tbody>
</table>
TOTAL PROJECTED BUDGET $25,951