

Purpose of the Training Pg. 3

Learning Objectives

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



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Successful fundraising

- Grantwriting is only piece of the fundraising puzzle
- Many other ways that grassroots orgs can raise money (webinar on best practices)
 - Events
 - Individual donors
 - Tribal giving
 - Earned income



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What's the big deal?

- #1 predictor of fundraising success is nonprofit fundraising plan
- Not just about the plan itself, but the **act** of planning
- Limit crisis fundraising, increases flexibility
- Planning for diversity brings in more opportunities
- Increase board & volunteer involvement
- Integrate fund development with other program activities & plans
- Most productive use of everyone's time
- Taking time to reflect and put goals in writing can boost your success rate



Sources	Benefits	"But"...
Public	<ul style="list-style-type: none"> ➢ Will provide "base support" for ongoing services and some projects in community ➢ Can be more consistent funding than foundations, often multi year 	<ul style="list-style-type: none"> ➢ Expect to see quantifiable service outcomes, all costs utilized per # of services negotiated in contracts; typically an insufficient "budget rate" to cover admin costs. ➢ Need line of credit or cash reserve to withstand cash flow problems
Foundation	<ul style="list-style-type: none"> ➢ Will support infrastructure investments in projects (such as capital, administration, and fund development). ➢ Make 2-4 year "investments" in organizations and community causes. ➢ Community Foundations often "seed" promising organizations and projects. 	<ul style="list-style-type: none"> ➢ Unless you reach "institutional status" do not expect annual funding for continuing programs. ➢ Winning a new foundation grant can take more than a year to cultivate, propose, and be awarded. ➢ Each foundation is "uniquely personal".
Corporate Giving and Public Affairs	<ul style="list-style-type: none"> ➢ Will give money for events that can typically be used as unrestricted support. ➢ Will underwrite certain costs of a project (i.e., computers) 	<ul style="list-style-type: none"> ➢ Need to demonstrate a base of support or reaching an audience that matches corporate marketing goals. ➢ Sponsorship gifts are usually below \$5,000 unless you are a major institution. ➢ Donation cycles can be erratic
Individual donors	<ul style="list-style-type: none"> ➢ Typically unrestricted support ➢ Can provide sustaining gifts of increasingly larger amounts 	<ul style="list-style-type: none"> ➢ Requires ongoing training of staff and board members for solicitations ➢ Requires significant investment of time and \$ to cultivate strong donor base ➢ Major donors need to see track record.
Annual events	<ul style="list-style-type: none"> ➢ When successful, they bring in significant amount of unrestricted \$ ➢ Excellent opportunity for identifying and cultivating prospective donors ➢ Volunteer opportunity 	<ul style="list-style-type: none"> ➢ Can often make minimal profits (should have a business plan) ➢ Highly staff and volunteer intensive ➢ May undercut the gift levels of some donors.
Earned Income	<ul style="list-style-type: none"> ➢ Can become a steady ongoing revenue source ➢ Often strengthens fundraising position with other sources. ➢ Can strengthen client and donor relationship with organization 	<ul style="list-style-type: none"> ➢ May require extensive business planning ➢ May invert the mission or primary programs of the organization ➢ Usually requires up-front commitment of capital, and staff time.

S. Lew, CompassPoint Nonprofit Services, 2014

Step 1: Reflect on your past year

- How much did you raise last year?
- What were your biggest successes?
- What were your biggest challenges?



Step 2: Identify existing resources

- What do you have now that can help your fundraising?
- Be realistic about resources in terms of availability and limitations
- Money is obvious, but what about time, staff, volunteers, and technology?



Step 3: List activities to attract, renew and upgrade donors

- What activities can grow your individual donor program?
 - Public, free events
 - Fundraising events (galas, art events, etc)
 - Crowdfunding



Step 4: Create goals for each activity

- Knowing what you're aiming for is important
- Goals to consider:
 - Dollars raised
 - New donors
 - Recurring gifts
 - Board participation (dollars or donors)
- Helps everyone agree to priorities from the beginning



Sample goals:

Sample Goals for Donor Development

Objective	Goal	Audience	Description
Acquire new donors via four (4) quarterly in person events	100 new donors, \$5,000	Locally-based segment of email subscriber list	Establish event committees composed of board members and their spouses, each event should have at least 25 attendees
Sustaining givers upgrade campaign	25 new donors in sustaining giv program, average \$600 annual donation, \$10,000	List of current donors contributing \$50+ monthly for at least one (1) year	Enlist help of volunteers for phone banks, gather donor and program participant testimonials for campaign collateral, prepare cold call lists two months prior
Fall/winter donor renewal campaign	100 small gifts (\$100 or \$50,000), 50 major gifts (\$1,000 or \$50,000)	Current donor lists	Emphasis will be placed on small gifts. Solicit donation matching sponsorships in February/August for April/November campaigns.
Renew + expand partnership with Good Foundation	Secure \$20k for FY17	Program officer, Janet Moore-Jones	Previously expressed interest in Saw the Starfish program. Personal connection via Jane R. Rosenbrocker, assistant director, Oct 1, 2015



Step 5: Identify 3 focus points

- Pinpoint 3 areas from step 4 that you want to focus on this year



Step 6: Calendar it

- A lot more doable when you map out the work over time
- Set deadlines to gauge your success
- Start with existing commitments (events, board meetings, grant deadlines, staff vacations) and put them in the calendar.
- Write in your monthly and seasonal focus areas



Step 7: Set yourself up for success

- Identify what helped you do well in the past
- Find an accountability partner in your org to check in with to ensure you're following through
- Set aside a specific time dedicated to calling donors
- Hold regular team check-ins to report results, brainstorm and share resources
- Celebrate your fundraising wins!



Sample Fundraising Plan – Community Organizing Group

- This development plan enables us to gather the resources (\$300,000) to build the grassroots fundraising capacity of our years' work. Our goals:
1. Raise enough money to support programs and operations and improve them.
 2. Raise enough money to provide funds for ongoing organizational development, strategic planning, communications and outreach, and professional development.
 3. Improve our organizational structure for fundraising, including streamlining processes, increased donor communications, strengthening major donor work, integrating fundraising more with programs, and building a stronger fundraising team which includes increasing board involvement.

INCOME CATEGORY	STRATEGY	GOAL	COST	2011 ACTUALS	2010 COMPARE	WHEN	WHO	STATUS
Individual donations \$57,000	Major gifts 1. Provide materials 2. Set up call 3. Check in calls 4. Celebration	\$35,000 24 staff from 30 donors ->\$500	\$35,000 24 staff hours	\$35,390 from 22 donors	\$28,000 from 28 donors	Jan - Feb	8 Board members	Done
	Donor newsletter 1. Work on text, photos 2. Contact email house and print shop (500 ->)	Cultivation, \$0	\$1,000 22 staff hours	\$350 from 8 donors	N/A	March, September	MV	Done
	Appeal to 2010 event attendees that didn't give 1. Write letter, insert 2. Do mailing (75 ->)	\$1,200	\$200 4 staff hours	\$1,500 from 20 people	\$800 from 10 people	July	MV	
	Fall Open House 1. Invite 50 new people	\$2,000	\$150 5 staff hours		\$2,300	Late September	MV volunteers	



	Fall appeal to current donors and new prospects that we identify for general support 1. Write letter, inserts 2. Do mailing (600->) 3. Make calls (200->)	\$16,000 from 160 donors	\$550 30 staff hours		\$14,716 from 143 people	Late Nov.	All staff and board	
	E-newsletter subscribers 1. Write e-appeal series 2. Change website	\$3,000	Minimal 8 staff hours		\$1,660 from 23 people	December		
Annual Gala \$70,000	Individual donors – 250 tickets 1. Host committee formed 2. Location secured 3. 10 table captains 4. Invites sent 5. Program set	\$25,000	\$18,000 50 staff hours	\$35,486 pledged from 150 people		April - June	Event Comm.	
	Funders, businesses, organizations – sponsorships 1. Sponsor packets 2. Ad book sales 3. In kind list and requests	\$40,000	\$0 30 staff hours	\$0 pledged from 40 groups, \$2,500 pledged in kind		Jan-June	Event Comm.	
	NYC House party – pre-gala event	\$5,000	\$800 8 staff hours	\$6,500 from 50 people	\$6,768 from 52 people	March	NYC comm.	Done
Foundation Grants \$175,000	Akonedi Foundation	\$25,000	6 staff hrs				HK	SOB talking
	Anschutz Family Foundation	\$50,000	\$500 travel 12 staff hrs			March	JH	Declined
	Babcock Foundation	\$100,000	8 staff hrs	\$10,000	\$200,000 two-year grant	Renewal February	PH	secured



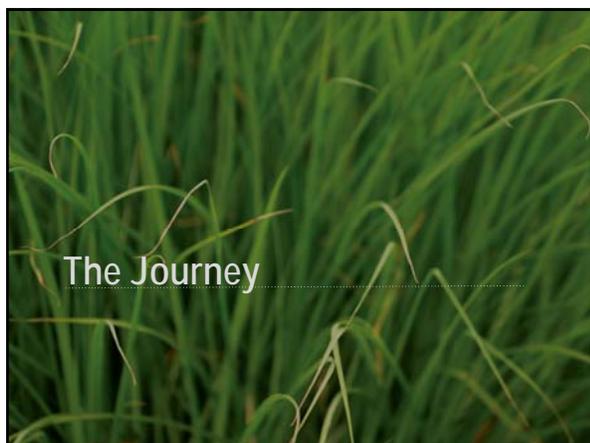


Where do we start?

- ❖ Project drives the search for money to implement activities.
 - Sustainable
 - Increases the opportunity for partnerships
 - Based community needs
- ❖ Proposal drives the development of the project.
 - Always looking for money
 - Does not provide the chance to develop partnerships
 - Based on the funders' needs



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Telling your story

Pg. 5

The essentials of describing your project/program

- Vision
- Mission
- Goals
- Objectives
- Values



Vision Statement

Pg. 8

The long term result of your project.

- A statement one aspires to achieve
- Provides direction, a compass for the journey
- Motivational for difficult times

Na'ah Illahee Fund: A strong network of Native women and girl leaders with the skills, knowledge, commitment and resources to affect positive social change, address the violence against women, children and earth, and build a strong citizenry with the knowledge and desire to advance sustainability—living in balance with the natural world.



Mission Statement

Pg. 8

The particular thing that your organization will do to help work towards the achievement of the Vision.

- The purpose or reason the organization exists
- Helps spell out & guide the activities of the org.
- Identifies the client or population served
- Identifies the service or contribution provided to the client
- A guide for decision making

Our Mission
To inspire and build upon the Native tradition of giving and to expand philanthropy within Tribal Nations and Native Communities in the Northwest.



Goals

Pg. 9

Spells out the work that will be undertaken in pursuit of the Mission.

- A desired result the organization plans and commits to achieve with a determined end-point.
- Specific, Measurable, Attainable, Realistic and Time-bounded (S.M.A.R.T)
- Can be short-term or long-term



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Objectives

Pg. 9

These break out each of the goals and assign tasks to individuals.

- Time-bounded actions or activities that support the attainment of the associated goal
- Specific to an individual
- Measurable results
- Mid to short term



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Values Statement

Pg. 9

The guiding principles that govern how you will work.

Potlatch Fund Values Statement

- We recognize and respect the sovereign status of Tribes.
- We recognize that Potlatch Fund has a role in supporting and complementing the work of Tribal governments and Tribal and community initiatives.
- We honor elders, children and future generations.
- We aim to honor, enrich, share and protect traditions, culture and the natural world.
- We take an asset based approach to community development.
- We are respectful of all peoples that we work with.
- We have a commitment to educating non-Native communities about Indian Country.
- We are both innovative and aspire for excellence in all that we do.
- We believe that philanthropy and Potlatches are essential tools for community wellbeing.



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Selecting the Team

Pg. 14

Whether a big organization or small consider recruiting the following:

- Tribal council assigned to the issue
- Director of your organization
- Program manager
- Your fiscal officer or agent
- You the grant writer
- 1 or 2 other colleagues to read and/or advise



Being a Stronger Team Leader

Pg. 15

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



Important guidelines are:

Pg. 15

- Encourage input.
- Ask questions and learn. This should be a fun process.
- Present team members with a good draft package of information.
- Teach fellow team members about the process
- Be clear about what you are asking and allow enough time
- Encourage your team to put in the effort and time necessary to create outstanding projects and proposals.
- Be organized. Listen attentively to the suggestions your team offers and take them seriously.
- Research as needed.
- Write simply and clearly. Edit for clarity. Read for understanding.
- Write from a place of authority.
- Make and maintain action lists after meetings.



Questions Before Beginning Any Project Pg. 16

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



Questions Before Seeking Project Funding Pg. 16

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



Questions Before Forming a Coalition or Collaboration to Seek Project Funding Pg. 16

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



Relationships are essential Pg. 17

Funder Relationships Building Pg. 17

Objectives:

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



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Contacting Funders Pg. 17

Contact funding sources and begin to tell them what you are doing:

1. Funders must clearly understand who you are, what your organization/program is and what your project is.
2. Be proud of the work you are doing and let them know about it.
3. Educate yourself about the funder. Who are they? What is their mission? How do they like to be approached?



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Partnership to Fulfill Missions

Pg. 17

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



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Relationship Cultivation

Pg. 17

Contact funders and begin the relationship

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



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Getting Funder Information

Pg. 18

To get information about funders you will need to:

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

1. Research Funders

Pg. 18

- Use referrals
- Use the internet to research their websites
 - Look at their mission, where they fund, how much
 - Look at their previously funded projects
- Ask funded organizations to see proposals
- Eliminate funders that do not match your project due to geographical or other limitations.
- Downloaded & print guidelines and application forms.



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2. Contact funders, tell about your project

Pg. 19

- Write a brief letter of inquiry, or call or email those on the list to get more information.
- If you call, you may have an opportunity to tell more of your story.
- Use your 60-second elevator talk.
- Speak or write clearly and concisely.
- Tell about your organization and project briefly.
- Tell them if you have 301(c) (3) status, 7871 status, or a fiscal agent.
- Be prepared to give this information to voicemail.
- Be sure they have the correct spelling and address of your name and organization.
- Have a pencil ready and write down any information they give you.
- **Pay attention to funder's advice.**



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3. Gather more information from the funders

Pg. 19

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



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Finding a Good Match Pg. 19

- Choose compatible funders
- Mission alignment, your project and programs will fall within their missions.
- Look for guidelines that match your proposal.
- Pick the funders most likely to fund your project.

You do not want to waste time, yours or the funder's.

Funders are Partners Pg. 19

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



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Exercise: Pg. 19

Go to tools such as "Selected Northwest Foundations" in the Appendix section, and see if any of these foundations match up with your project. Refer to your worksheet that describes you foundations because while they may sound like a good match, further research may reveal restrictions, eligibility constraints and other barriers to their funds.

List foundations that appear to match your project.



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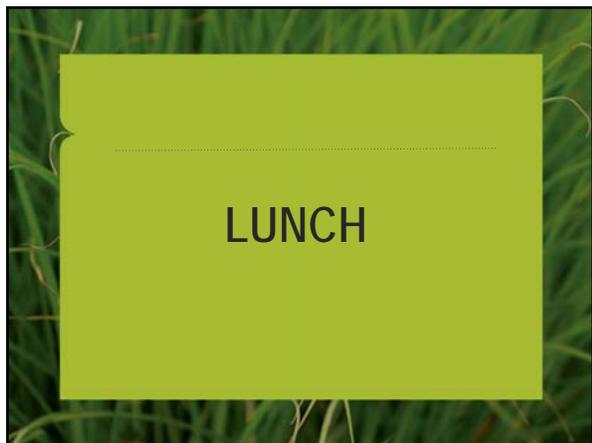
Exercise:

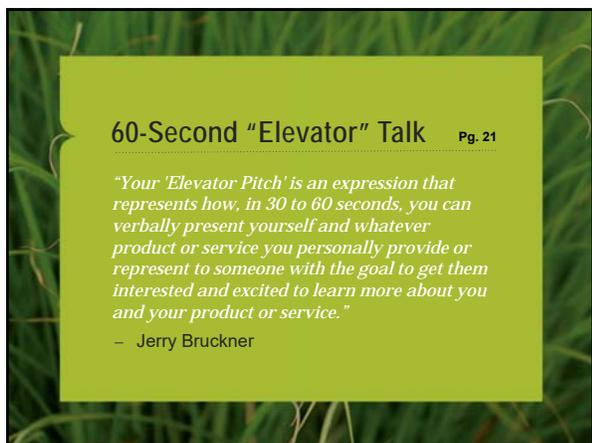
Pg. 19 - 20

Pick one of the funders that you have identified and complete Prospect Worksheet on page 20.

The image shows a 'Prospective Funder Research Worksheet' form. It includes sections for 'Funder Information', 'Funder Details', 'Funder's Mission/Purpose', 'Funder's Values', 'Funder's History', 'Funder's Current Initiatives', and 'Funder's Contact Information'. There are checkboxes for 'Funder's Interest in Your Project' and 'Funder's Interest in Your Organization'. The form is partially filled out with handwritten text.







The 60-Second "Elevator" Talk

Pg. 21

- Know who you are presenting to (audience)
- Write a brief (60-second, 110 words) talk
- Talk with passion to generate high interest
- Briefly tell about your organization and project
- Tell highlights, know the key points by heart
- Always include a "call to action"
- Use your communication strengths
- Speak slowly and clearly
- Practice, practice, practice



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Storytelling

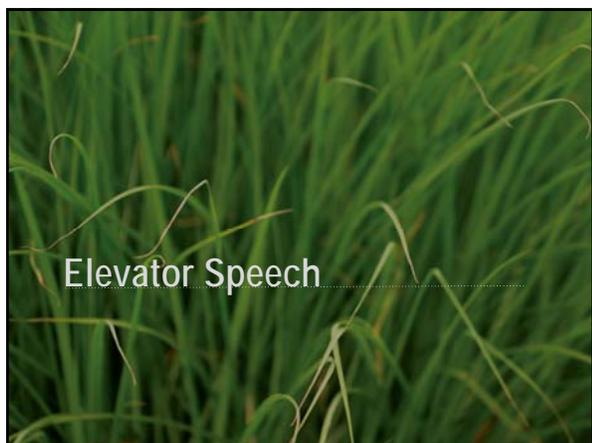
Pg. 21

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

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



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Exercise: Pg. 22

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



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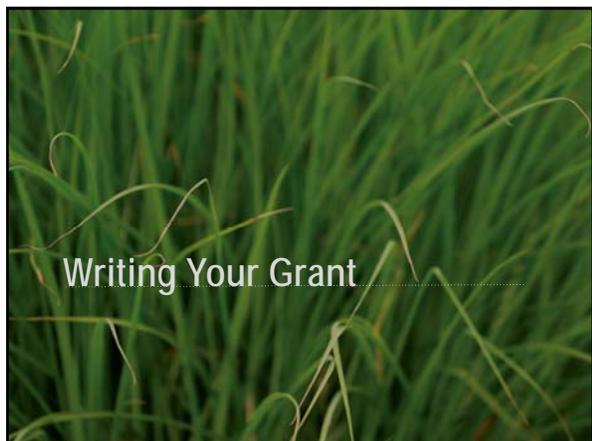
Letter of Inquiry

Letter of Inquiry creation and submission Pg. 23

- Funders often ask for a Letter of Inquiry (LOI)
- Some funders ask for a full application
- An LOI can open doors
- A successful LOI will lead to an invitation to apply
- LOI requirements differ slightly with each funder
- Most LOI are limited to 2 pages
- Abide by funder requirements
- When writing remember less is more



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Components of a Grant proposal Pg. 27

- Proposal Outline
- Vision Statement
- Mission Statement
- Needs Statement
- Goals and Objectives
- Timeline
- Results/Outcomes/Impact
- Evaluation
- Support Materials
- Budget



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Proposal Outline Pg. 27

- Outline or cover letter
- Short summary of your project
- Similar to the Letter of Inquiry
- Program officers may only read this portion
- Clear and succinct outline of the proposal

Vision and Mission

Pg. 27

Vision

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

Mission

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



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Needs Statement

Pg. 27

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

Stating the Need for Your Project

Pg. 27

- Clearly state the need, make no assumptions
- Support need with statistics
- If the case, point out that the need as an opportunity for change
- Show that the community feels there is a need or opportunity
- Show that it is possible to accomplish in time
- Remember the need is in the community



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Questions You Should Ask Yourself:

Pg. 28

- What is the problem you are trying to solve or opportunity you are trying to seize?
- How do you know this problem or opportunity exists?
- Have I fully explained the problem or opportunity?
- Why should your organization address this problem? How will you work with others?
- Does the community feel this is a good opportunity or need?
- Can you address the problem in the time and with the resources you are requesting?
- Is anyone else addressing this problem? (It is important to be honest.)



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Items to enhance the Needs Statement

Pg. 28

- Do not assume everybody knows about this problem.
- Take the time to convey what you know about this problem to funders.
- Select a few key statistics to document the problem or opportunity in the proposal.
- Have more statistics? Put them in the appendix.
 - U.S Census, schools, health departments, juvenile courts, United Way, and/or Bureau of Indian Affairs
- Include a story, pictures, or newspaper articles to demonstrate the need.
- Quote academic studies to support the need.



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Take an "Asset-Based" Approach

Pg. 28

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



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Results/Outcomes/Impact

Pg. 27

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



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Evaluation

Pg. 27

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



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Support Materials and Budget

Pg. 27

Support Materials

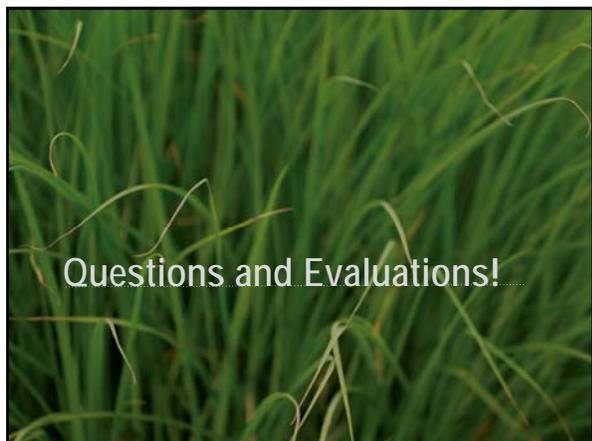
Some funders request additional support materials. Choose materials that show the need, the mission of the organization, the strengths of the organization, and how this project will meet the stated community needs.

Budget

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



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Purpose of this Session Pg. 33

Learning Objectives

- Convert your story into a budget
- Determine project expenses
- Outline the essentials of the budget
- Provide suggested budget line items
- Provide a budget planning guide



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Budgets Pg. 33

Why do you need a budget?

The budget is the estimated financial plan. This document includes the **expenses** that you anticipate to incur for a specified period of time along with the earned **income** that will be generated. It clearly delineates the cost to be met by the funding source and those provided by other parties. It is a reflection of the essential components in the grant narrative.



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Budgets

Pg. 33

The budget is used to support the project or project activities with costs that are reasonable in relation to the objectives. It also serves as an effective management plan to ensure proper and efficient project objectives. Additionally, it provides evidence that administrative costs constitutes a minimum portion of the total program or project costs. The budget is your best estimation of the total cost.

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



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Basic Essentials of the Budget

Pg. 33

- Detailed in all aspects.
- Consistent with proposal narrative including long-term, medium-term, and short-term goals.
- Sufficient to perform the tasks described in the proposal narrative.
- Total amount of needs meet the requirement of the funding organization.
- Includes all items asked of the funding sources.
- Includes all items paid for by other sources.



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Basic Elements of the Budget

Pg. 33

- Separately details income from expenses
- Separately details personnel costs from non-personnel costs.
- Details fringe benefits separate from salaries.
- Includes the cost for all consultants.
- Includes indirect costs where appropriate.
- Includes a budget narrative that explains the numbers in the budget.



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Suggested Budget Line Items

Pg. 33

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

- ✓ Personnel. Full-time and Part-time.
- ✓ Payroll Taxes + Fringe Benefits+ 9-15%.
- ✓ Fringe Benefits include FICA, Pensions, Health Insurance and Worker's Compensation.
- ✓ Travel
- ✓ Equipment
- ✓ Supplies
- ✓ Contract Services/Professional Fees
- ✓ Staff/Board Development
- ✓ Construction
- ✓ Other (This should be a small percentage of the total budget.)
- ✓ Total Direct Charges
- ✓ Indirect Charges (Also called Overhead)
- ✓ Total Budget (Direct plus Indirect)



POTLATCH FUND

Budget

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



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Budget Deviations

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Any deviations that are under the budget amount or over the budget amount need to be substantiated. For example, there is \$5,000 budgeted for Contractual Services for the year, but only \$1,000 will actually be spent. A request for a *budget modification* to adjust the line item in exchange with another line item is necessary.

Note: If there are major deviations from the budget, the program or project will be in jeopardy of receiving funds in the future from the funding services.



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Writing the Budget Pg. 34

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

Writing the Budget Pg. 34

- **Give yourself enough time to write the budget.**
- Budgets translate project pieces into a fiscal picture for the funder.
- Many funders will look to the budget to understand your proposal.
- Budgets clarify for the funder what you intend to do.



Writing the Budget Pg. 34

- Budgets show how you will use the money to carry out your project.
- Budgets prove your organization's management capability.
- Budget information defends your project to the funder.
- Put all relevant budget information on the budget page.



Budget Tips

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- **Do not leave the budget to the last!**
- Allow plenty of time!
- Ask for help if you don't understand something!
 - bookkeeper, accountant, board treasurer.
- **Take notes** on how you get your figures.
 - Use notes in MS Excel cells!
- Do budget worksheets.
- Go over your figures for accuracy. Double check!
- Have someone else check the budget.



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Budget Tips (continued)

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- Make your budget realistic.
- Include everything you will need to complete your project.
- Do not underestimate or overestimate costs
 - Use what it will really cost you.
- Keep records, staple all of your budget work together, and put it in a file.
- You may be asked to defend your budget to a funder and to explain the costs.
- When you get funding, you will have to follow the budget so make sure it is realistic and reflects the actual costs.



POTLATCH FUND

Exercise: Budget Planning

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

➤ What does it take to complete your project?

My project will last _____ months.

My project will begin on _____ and
on end on _____.

My project will serve _____ people.

My total project costs will be _____.



POTLATCH FUND

Exercise: Budget Planning

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

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Exercise: Building a Budget Worksheet

Revenue/Expense Category	Subcategory	Estimated	Total
Revenue/Income Sources			
Membership			
Fundraising			
Grants			
Other Income			
Total Revenue/Income			
Expenses			
Personnel			
Travel			
Office			
Supplies			
Equipment			
Utilities			
Insurance			
Professional Fees			
Printing			
Advertising			
Telephone			
Postage			
Repairs			
Travel			
Other			
Total Expenses			
Excess (Deficiency)			

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15 Minute Break

Budget Narrative

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Budget narratives, or **budget justifications**, describe the budget in words and justify the expenditures item by item. In a narrative, you will relate each budget item to the activity it supports.

One sentence is usually enough for each item: personnel and fringe benefits, consultants, supplies, and equipment etc. Describe and quantify in-kind contributions (volunteer time by non-employees, donated materials, services, or equipment) in the budget narrative.

Funders like seeing that you have in-kind support as this is another way of seeing general community support for your project. Budgets are the primary story for some of the funders.

Note that the competitive factor can be the budget.



POTLATCH FUND

Example:

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Budget Item Explanation

Personnel 1 Program Manager, with
Standard 3% annual increase

Year 1	Year 2	Year 3
\$60,000	\$61,800	\$63,654



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MATCHING FUNDS Definition

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It is unlikely that you will be able to start without putting some of your own cash into it. There really is no free lunch.

The very first thing investors want to see is what you are investing your own resources into your project. This could be an investment in hard dollars or some evidence of how your own sweat equity will make the organization more valuable.

Few funders are likely to throw in some funds unless your organization has demonstrated its' commitment by investing in itself.



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Resources

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

Resources:

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

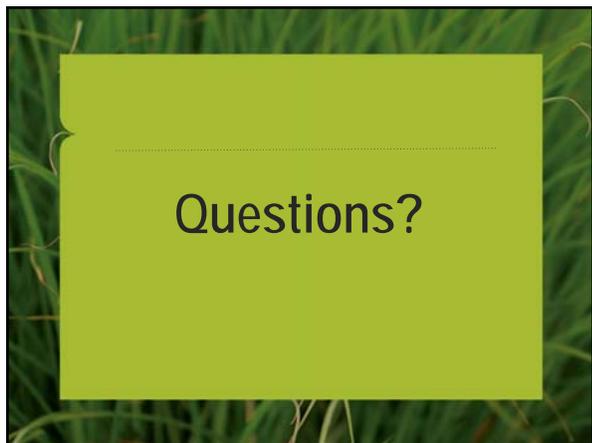
www.sba.gov

www.startupnation.org

www.nacseattle.org Non-Profit Assistance Center.



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Contact Potlatch Fund

www.potlatchfund.org or email info@potlatchfund.org

Call Seattle: 206-624-6076 or Spokane: 509-919-3046

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