GUIDEBOOK TO PROPOSAL WRITING
in Central and Eastern Europe and the Former Soviet Union '99

Second Edition of “Guidebook to Proposal Writing in CEE and the Former Soviet Union: Highlighting Public Administration and University Administration” 1995 by The Institute for Local Government and Public Service (Affiliated with The Open Society Institute, Budapest, Hungary)

Information about additional copies of the *Guidebook* can be obtained from:

The Local Government and Public Service Reform Initiative,
The Open Society Institute,
Nádor utca 11, 1051 Budapest, Hungary,
tel. (+36-1) 327-3104,
e-mail: lgprog@osi.hu, web site: www.osi.hu/lgi

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Highlighting Local Government
and Public Administration Projects

LGI: The Local Government and Public Service Reform Initiative
of the Open Society Institute, Budapest, Hungary

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Introduction and Acknowledgments to Edition II:

The Local Government and Public Service Reform Initiative (LGI) was launched in January 1997 by the Board of the Open Society Institute-Budapest, replacing the Institute for Local Government and Public Service (ILGPS) and building on its achievements.

LGI focuses on the development of democratic and effective government at sub-national levels as one of the central tasks of the transition, and, different from the mission of ILGPS, is not concerned with university administration. LGI strives to support sharing of expertise between countries and holds as an important overall goal the forging of sustainable regional networks of institutions and specialists involved in the study and reform of local government.

The "Guidebook to Proposal Writing in Central and Eastern Europe and the Former Soviet Union", originally published in 1995 by ILGPS, has been a publication in very high demand. Therefore LGI decided to republish the booklet, in a revised version, and in only two languages: English and Russian. Knowledge and skills in preparing good project proposals still remain a very valuable and scarce asset in the region, and we hope to help all those who intend to undertake reform projects to be better prepared in having their ideas funded.

We have to thank Stephanie Barton Farkas and Zoltan Szigethy for having had the initiative and for writing the original book, and in addition, to Juliet Gole for embarking in re-editing the text and adding the various suggestions received over time. Juliet's enthusiastic work made it possible for you to read this new edition.

Adrian Ionescu
Program Director, LGI
February 1999

Introduction to Edition I:

The Institute for Local Government and Public Service, created in 1993, sustained with the support of George Soros, and administratively housed within the Open Society Institute, has two missions: to help reform local governments in Central and Eastern Europe and the former Soviet Union; and to enhance the administration of universities within that same region.

We sponsor a number of projects in pursuit of these missions, of which this *Guidebook to Proposal Writing in CEE and the Former Soviet Union* for this region and its companion *Directory of Funders in Public Administration and University Administration* is one. It was inspired by the pressing need to match good ideas with those private and public funders who are in search of ideas to support. Common to both parties in this equation is their shared intent to advance the region's transition to local self-governance and market economies.

This *Guidebook* takes away the mysteries surrounding the rituals of preparing applications for grants, especially applications to funding sources in other countries. It is necessitated by the absence of a practical, informal, yet comprehensive explanation written with those in mind who have had little opportunity to take part in the rituals of preparing written funding requests. It will not make the work of preparing proposals easy, but it will make it easier by revealing the basic practices, procedures, expectations and dynamics surrounding their preparation, as well as actions to take if one succeeds in receiving a grant.

Notwithstanding our Institute's focus on public administration and university administration, the *Guidebook* is written in a generic style so as to be helpful to writers of proposals on other subjects relevant to the welfare of people in the region.

A proposal must address a real problem with a promising solution and offer a competent team of people to carry it out. Other important aspects of a proposal are that it be thorough, logical, well argued and convincing. Whoever writes it must master the subject, ideally be someone who will be involved in its implementation, and who also understands the process of preparing proposals. Let me assume that you are that person. By offering this *Guidebook* in seventeen languages germane to Central and Eastern Europe and the former Soviet Union, we want to ensure that language is not an impediment in familiarizing you with this process. Furthermore, if the proposal has to be submitted in a language difficult or unknown to you, we encourage that it be first written in your own language so as to benefit from the richness of your understanding and then translated into the language required by the funding source.

Zoltan Szigethy
Executive Director, ILGPS
June 1995

Acknowledgments to Edition I:

This document and its companion *Directory of Funding Sources for Public Administration and University Administration in CEE and the Former Soviet Union* (which lists over 250 funders as well as contact and other pertinent information) could not have been created without the helpful comments, suggestions and criticisms from more than 100 people in 27 countries at 23 universities and numerous training centers. Information was compiled from over 300 foundations and institutions. This is your document, presented the way you wished it to be.

Special thanks must go to Mari Novak and Gabriel Toth in Slovakia; Donka Prodanova in Bulgaria; Vassily Selishchev and iouri Zagoumennov in Belarus; Tiina Randma in Estonia; the Soros Foundation's network of offices; the USAID offices worldwide; and the 28 USAID/NYU and ILGPS trainees from five countries who made up the "Intergovernmental Relations Training Project" and who were the first to comment on the outline and ideas for this document; PIET offices worldwide; nearly every librarian in Massachusetts, New York, London, Bucharest and Budapest; Violetta Zentai, Judy Hylton and Dick DeLyser in Hungary; Mihai Farcas of Romania; Silvana Lalo of Albania; Pavlo Sheremeta of Ukraine; and Thomas Bass all over. A large thank you to Theresa Ambronn—editor extraordinaire; Mr. Thomas Wolf—who gave generously of his time and advice; and Zoltan Szigethy, Executive Director of the Institute for Local Government and Public Service in Budapest, who not only conceived of the need for this document but also acted as preliminary editor.

Researcher & Author:	Dr. Stephanie Barton-Farcas
English Editor:	Ms. Theresa Ambronn
Printing/Distribution:	Mr. Thomas Bass

PART 1

Tips and Guidelines for Grantseekers: What to Know Before You Begin

I. What is a proposal?

A *proposal* is a written request for support to a foundation, corporation, business, governmental or intergovernmental body, or individual. For the purposes of this book, a proposal is a carefully and well-written document, no longer than 10 to 15 pages, designed to persuade the funding source to give money for a *project.* A project addresses a topic or need, such as a need in a community or a need for policy reform.

A proposal serves the following six functions:

It describes a problem.

Funding sources do not give money without a good reason. Therefore, the applicant must make a good case for why the project needs to be done. The proposal should carefully describe the problem that the project will address, demonstrating what work has been done on the topic in that geographic area and in other parts of the world.

It describes a potential solution to the problem.

Since the problem has been thoroughly investigated prior to the submission of the proposal, the applicant should also be knowledgeable about the range of solutions that have been tried in the community and elsewhere. The proposal should describe the potential solution which the project will attempt to implement, and why that solution is likely to work.

It is a plan.

A proposal is a step-by-step plan of action describing what, exactly, the applicant plans to do during every stage of the project period. The plan that the applicant creates will be followed exactly as written unless the applicant and the funding source agree otherwise.

It is a request.

A proposal should be a well-planned request for funds or technical assistance, equipment, books, etc. The applicant should never plead for funds in a panicked rush before the anticipated start of a project. Such proposals are unprofessional and unlikely to receive sympathy.

It is a tool of persuasion.

A proposal is a tool that is used to convince funding sources to think as the applicant does about the problem, to set the project as a high priority, to fund the project, and to feel confident in the applicant's ability to use the funds wisely and to complete the project.

It is a promise and a commitment

In constructing the proposal, the applicant promises to address the problem, and he makes a commitment to stay with the proposed plan. With funding, the applicant's promise and commitment become a legal obligation.

Some foundations and governmental and intergovernmental funding sources have detailed forms for applicants to complete. In such cases, applicants need not submit proposals of their own design. Most funding sources, however, require unique, written proposals, which this guidebook describes. Yet all funding sources have different guidelines, priorities, deadlines and purposes, so it is extremely important to know as much as possible about what each funding source will want and to give *exactly* the information that is requested.

II. Information to know before you apply

Seeking grants is a competitive business. The amount of funds available is finite while the number of applicants competing is quite large. To receive a grant, a proposal must be well-planned, well-written, and addressed to the appropriate funding source(s). Essentially, the proposal must be better than the competitions'. Specifically, applicants should remember the following points:

- Do preparatory research. You must be able to prove to the funding sources that you are an expert on your topic, and therefore you could effectively carry out the project.
- Be clear on what, exactly, you plan to do. What problem will you solve? What population groups will benefit from your activity? How will they benefit? Be specific. Funding sources are not interested in giving money for vague ideas.
- Recognize that grants are not normally given to individuals. They are normally given to organizations, particularly non-profit and academic organizations.
- Carefully research the organizations to which you are considering applying. Newsletters, yearly reports, publications, and web sites are good sources of information.
- Do not apply to any and every grant-giving organization. Match the needs of your organization with the mission of the funding source. If your project involves primary school education, do not apply to organizations that focus on higher education in hopes that they will stretch their interests or recognize that the two topics are distantly related.
- Find at least five to ten potential funders who have interest in your activities. Do not count on receiving money from every organization to which you apply. Have back-up plans.

- Consider working with partner organizations. Not only can the collaboration pull expertise from all of the partners for the benefit of the project and the participants, it can also open opportunities for different funding sources.
- If you have been funded by an organization twice before in a particular subject area, recognize that some funding sources prefer to fund a single organization only a few times. If so, search for a new funding source which may provide new ideas, higher funding, longer term funding, etc.
- Be certain to apply to funding organizations which are active in your country or region. Even if geographically correct, do not assume that for all funding organizations "Former Soviet Union" includes the Baltic states or that "CEE" (Central and Eastern Europe) includes Macedonia. Always double-check the funding sources' geographic area.
- Do not apply for more money than the funding source will give. If a funder has never given more than $10,000 to any particular project, you should not submit an application for $75,000 to this organization. Doing so is a sure way to get rejected. Funding organizations do not bargain in these situations, they reject.

Grant-giving institutions need high-quality, dependable organizations to help them carry out their missions. They look to smaller, emerging organizations for new ideas, energy and projects. Applicants who can demonstrate their professionalism, who apply to the appropriate sources, and who have good, solid, achievable plans have a good chance of receiving funds.

Applicants should be aware that the fund-raising process is complex and is a long-term endeavor. They should not expect to receive funds, or even replies, right away. The decision-making and contracting process takes months, sometimes well over a year. Therefore, organizations which rely upon grants for their operating and project expenses should plan years in advance. Grant-giving organizations work at different speeds and on different schedules, so a single project that receives grants from several different organizations will usually receive the money at different times. Some applicants use this fact to their advantage: once they receive partial funding, they submit proposals to other organizations. These organizations are more likely to provide additional support once they see that another funding source has already invested in the applicant and the project.

III. How do funding sources decide which projects to fund?

Each funding organization has different priorities and interests. Successful applicants should not submit identical proposals to several organizations; rather, they should tailor their applications to each funding source, highlighting how the proposed project matches the specific mission of each organization.

Yet representatives of grant-giving institutions do have much in common in terms of what they look for in a proposal and an applicant. They want projects that further their mission or cause. They want professional organizations and high-quality projects which will make their organization look good. They want projects into which a great deal of forethought and planning have been invested. Other characteristics that they look for include:

- Projects that will have a significant, lasting impact. Funds which contribute to a sustainable or replicable project have a much greater impact than short-term projects which will make a big splash and then quickly fade in significance. Funding sources want their limited resources to make a large impact.
- Projects that disseminate a successful project, idea or study. Just as grant-giving organizations prefer their funded projects to last through time, they also like to have their projects spread through space, i.e. through larger geographic areas. This strategy increases the impact of their limited resources, helps a larger number of people, and increases their recognition in the field.
- Creative, new, or different projects. These sorts of activities will make the funding organization stand out and potentially have a greater impact than would old and tried projects.
- A large impact to cost ratio. In other words, they prefer projects that have as large an impact as possible for the money. All else being equal, a project that helps fifty thousand people for ten thousand dollars would be much preferred to a project that helps one hundred people for the same amount of money.
- Projects that spur growth. Again, funding sources prefer to give money to sustainable projects. If a small initial investment can create, for example, economic growth or an increase in number of people dedicated to a cause, then the small investment will have a larger pay-off in terms of contributing to the mission.

Funding organizations also have a number of characteristics that they *do not* want to see in the projects they fund. They do not want unprofessional grantees who are unable to complete the project or abide by the contract. They do not want dishonest grantees who misuse funds or violate laws. They do not want adverse publicity about controversial grantees or projects. They do not want grantees who do not acknowledge the grant-giving organization's support in the project outputs. They do not want proposals that fail to state clearly what the applicant intends to do. And they do not want applicants who beg for funds, who insist that the decision and contracting period are taking to long, or who ask constant and unprofessional questions.

A convenient way to think about the grant reviewing process is as follows: After the proposal-submission deadline, an individual or group of individuals from the funding organization will quickly *skim* through all of the proposals and place each of them into one of three piles: a "yes" pile (meaning that from the first reading the reviewer recommends funding the project), a "maybe" pile (the reviewer recommends further review to determine whether the project is appropriate for funding), and a "no" pile (the reviewer believes that the project is not appropriate or of too poor a quality to get funded).

A point that is extremely important to remember is that *the first and possibly only time that a proposal is reviewed, it is skimmed through very rapidly and placed into one of those piles*. If it is placed in the “no” pile, the chances are high that it will never be reviewed again. Because the reviewer is reading quickly and not reading every word, *successful applicants must be very clear and concise in describing the problem and what the project is intended to accomplish*. If the reviewer cannot determine what the project is about within the first 30 seconds of picking up the proposal, the application may quickly be placed in the “no” pile.

The “yes” pile is typically composed of applications from institutions or organizations that are familiar to the funding source, proposals that concern the appropriate subject, idea and funding range, and proposals which may already have partial funding and ask for “matching funds.” Matching funds are requested funds which the applicant would like the funding source to give to *match* the amount of money secured from other sources. The “yes” proposals may include well composed feasibility studies to show their need and proposed impact, thereby demonstrating that preparatory research has been completed on the topic area.

The “maybe” pile is normally composed of proposals from lesser known organizations, riskier proposals, proposals with an initially indeterminable impact, or proposals that need to be reviewed by specialists. An important point to remember is that the better the composition of the proposal, the higher the chance of a “maybe” application later being placed in the “yes” pile. Careful research, preparation and writing can make all the difference.

The “no” pile is usually filled with proposals from organizations which submit sloppy and incomplete proposals or those which do not follow the requirements; organizations that want funds in an area in which the funding institution is not involved; organizations that simply want funds but have not identified any real problem to be solved with the project; organizations which may have identified a problem but not described the potential solutions or previous work on the topic; organizations that are requesting more money than the funding source normally gives; and organizations which have already been funded in the past and should now look elsewhere for funds.

The general principles and procedures in this book are applicable to all fund seekers, however, the specific focus here is on local government and public administration as funding areas. For grants in those areas, applicants should remember that most organizations that support those activities want to bring about a change in values and attitudes and to teach new skills. The term “reform” is key.

Essentially, applicants should be able to prove in their proposals why *they* in particular are special and why their projects deserve funding. Each applicant is in competition against the other applicants, so each should try to differentiate himself from the others and try to prove that his project is more worthy than the others.

IV. What else is important to know?

First, applicants should be aware of the difference between unsolicited proposals and requests for proposals (RFP). Unsolicited proposals are the main focus of this Guidebook. They are unique proposals sent to grant-giving organizations which support activities in a certain field; the specific project and proposal are not requested by the funding source. Requests for proposals, on the other hand, are announcements from the funding organization stating that they will hold a competition among organizations to perform a specific project. In this case, the granting organization often has forms for the applicants to fill out and the submission of a unique proposal is not required.

Second, reputation is important. A reviewer who reads a proposal from a well-known, respected organization is more likely to put that proposal in the "yes" pile than he would a similar proposal from an unknown organization. With the first applicant, the reviewer is relatively confident that the applicant will do a good job and that the results of the project will have a significant impact. With the second applicant, he is uncertain as to whether this organization is as good as the proposal says it is, whether the project will even be completed, and if it is completed, whether the results will be useful. For example, a large policy reform study by a well-reputed organization may be considered by the national Parliament, whereas the Parliament might completely overlook an identical project from an unknown organization.

Since many institutions in Central and Eastern Europe and the former Soviet Union have yet to make their reputations, their project, ideas, facts, preparation, language and documentation are even more important. These organizations must work even harder than the established, well-known applicants. Newer institutions are not only applying for funds, they are creating their reputation for quality.

Finally, applicants should always check with their own government about regulations on the transfer of money into the country from a foreign funding source. How can it be transferred with few bank charges and taxes? Does the funding organization have to complete paperwork or prove that it is tax exempt or a charitable foundation? In some countries the government can claim funds as taxable if the are not transferred under certain terms. It is essential to check these regulations before applying. Otherwise, unprepared applicants may be surprised to find that only half of their grant money arrived in their accounts, or they may have to turn to an unsympathetic grant-provider for additional money since half of their grant had to be paid in taxes.

PART 2

Where to Look for the Funds You Need

I. One's own city

Previously Known Funding Sources

Applicants should always begin their searches with the grant-giving organizations with which they are already familiar. They should ask those organizations for their guidelines, annual reports, and publications, as well as any application forms they may have. They should ask a program officer about possibilities available from other organizations that he may know.

Alumni

This area is more specifically addressed to a university's need for funds. In the US and the UK it is common practice to involve graduates of a university in the future development of the institution. Universities in those countries establish their own alumni associations, which serve as intermediaries between the alumni and the school. The association provides services (such as free tickets to sporting and cultural events) and information (such as an alumni magazine) in order to keep alumni actively and/or emotionally involved in the university life and development. The alumni association also requests funds from the alumni, who tend to give back to the institution for the years of enjoyment and education (the latter of which tends to lead to higher incomes than the graduates otherwise would have had). Alumni can also volunteer their time to raise funds or participate in activities which benefit the institution.

Fund-raising

Fund-raising usually involves collecting money by soliciting the community or city populace, by staging community-oriented events (with fees benefiting the organization), and by many other specific activities. If, for example, a project involves the improvement of the schools in a community, the community itself may be willing to contribute or participate in fund-raising events. Money raised in this way can replace or complement money received from grant-giving institutions.

The European Union

The European Union (EU) has representative offices in many countries of Central and Eastern Europe and the former Soviet Union. It also sponsors collections in many libraries in the region concerning all aspects of the EU and its projects. Applicants may apply for grants from such programs as ERASMUS, EUROPA, EURYDICE, PHARE, FORCE, PETRA, TACIS and TEMPUS. Of all funding sources, the EU gives the most towards projects in Central and Eastern Europe and the former Soviet Union. Competition is fierce, and guidelines are very strict. In addition, the grant-giving process is very time consuming. Organizations interested in applying for EU grants should request information at the EU offices or the consular offices of member states.

English-, French-, and German- Language Libraries

Large university libraries in CEE/fSU countries may be helpful, but the foreign language libraries certainly will be. The above-listed libraries usually have computerized search systems which can lead to a wealth of information. Often if a book is not available in the library, the librarian can order it. Searches should be done with keywords or phrases such as Foundation, Philanthropy, Public Administration, Education, Funding, Fund-Raising, Nonprofit, Grants, Financial Aid, Fellowships, and Corporate Funds. Librarians can be very useful in assisting with computerized searches. Some library bulletin boards also advertise and provide applications for funds, projects, fellowships, research grants, seminars, conferences, etc.

Chambers of Commerce

The United States, the United Kingdom and Canada are active in creating Chambers of Commerce in countries throughout CEE and fSU. These organizations not only help businesses to prosper, but they also assist with and invest in the country's activities. Chambers of Commerce can assist with corporate funding organizations and many matching funds programs. However, chambers of commerce from the region are often very different from the US, UK and Canadian variety, so organizations in search of funds should speak directly to a representative from the Chamber of Commerce to determine the type of services offered.

Searches by E-mail and the Internet

Organizations with e-mail and Internet access can reach the EU databases DIALOG, ORBIT, DIALCOM and EUROBASE-ECHO, as well as the US Library of Congress, university libraries around the world, web sites of individual organizations, etc. Increasingly, funding organizations are placing information about their activities and opportunities for grants on the World Wide Web, and the Internet can be a tremendous resource. If a search is unsuccessful in finding the web site of a particular organization, the searcher should consider calling the organization to get the web address--often organizations are happy for potential applicants to learn about the organization's mission, activities, requirements, etc. from this publicly-available source. Once potential applicants have identified the web site, they may send letters of inquiry for further information or guidelines via e-mail. In this way, applicants can receive detailed information from numerous organizations quickly and without leaving their desks.

Newspapers, Magazine Articles, Public Affairs Information Service (PAIS)

These services are available at major libraries. The PAIS operates out of the American library and embassy in each country. Newspapers, journals and magazines have many articles about funding organizations, grants, projects, new programs, etc. The articles can also assist with research in topic areas, revealing who is doing what and where.

II. The search for regional or country funds

Ministries

Ministry information is extensive within each CEE/fSU country. The Ministry of Education, Ministry of Public Affairs or Ministry of Foreign Affairs will most likely have information on funding sources. Most Ministry of Health offices have complete lists of all foreign foundations and funding organizations within the country. Funding organizations and corporations must register with the ministries, and the information is now publicly available. The information leads to the following other sources:

Corporate Funders

In some countries there is still not a great deal of corporate investment, but it is there, and in some of the more developed countries it is quite large. Because investment in Central and Eastern Europe and the former Soviet Union is still relatively new, the corporate funders are actively seeking projects, products and organizations to fund. They also provide funds so that their corporations appear to the public to be active in the community and so that they can market a product or service better.

These corporations and businesses are easy to identify: who advertises on television, on billboards and in the newspapers? Who supports sporting events? Organizations may be able to receive funding in return for the simple act of publicizing that a large corporation is sponsoring the project. As this happens more frequently, fund-seekers should identify and target the active and public corporations, speaking to their funding or public relations officers as the initial point of contact.

But first, research is necessary. Who are the corporations funding and why? What benefit does the corporation get from supporting the event or organization? When speaking to the corporate representative, fund-seekers should relate their needs to the needs of the corporation-- “sell” the project, let the representative know that this activity is something with which the corporation *should* be involved. For example, does the corporate representative know that this project will have a huge impact in the community, and that the small corporate investment in the activity will bring wonderful publicity to the business? Can the corporation perhaps help in some way that involves goods or services rather than funds? For example, a local printing company can donate copy and fax paper, a local newspaper can donate advertising space, a bank can donate money transfers without transfer fees, etc.

Other Governments

Government offices and embassies throughout the region also have extensive funding information. The United States Agency for International Development (USAID) has an office in every country, as do many other governmental agencies (such as the UN and the EU). Other countries’ consulates may have information on funders and projects. Telephone directories, city information services and embassy staff can lead fund-seekers to these offices. Many foreign embassies have libraries, cultural centers, and reading and research rooms which fund-seekers should use. After all, these areas exist for the public. Cultural attaches, information officers, public relations officers, research staff and librarians are also available to answer questions.

All potential funding sources should be researched carefully. It is a much better use of time to research the organizations first, rather than applying to organizations from which the applicant has no chance of receiving funds.

III. The search for subject-specific funds

Applicants should first know what subject areas their topic covers. For example, a project which consists of a seminar in public policy for women in public office does not only fall under the topic of "seminar." Instead, the applicant should search for organizations that support seminars, public policy, women in public administration, education of public officials, or education of minorities (for some funding purposes women count as minorities). Applicants should ask questions and search for funders in all of these subject areas from the very beginning. A thorough search might result in about twenty potential funding sources in a single subject area alone, which can then be narrowed down depending upon other factors such as the geographic area, amount of funds available, demographics, etc. Finally, this list should be cut still more to the final group of funding organizations to which to apply.

Many funding sources have specific demographic groups as their funding areas, such as Jewish, Russian or Roma communities. Other funding organizations may fund women's activities, or projects that work with refugees, or activities involving a particular religious group, etc. Applicants should identify the particular people, topic areas or groups with which the project will work so that additional funding sources might be identified.

The subject or topic area of the proposal must be heavily researched. This is one large reason that many proposals do not get funded. Applicants should be so knowledgeable about their topic that they should be able to respond to any question about it. They should also be aware of any other individuals or organizations working on the same topic. Sometimes the project can be improved by pulling in the skills and knowledge of other experts on the subject. But it is vital that the applicant know everything there is to know about the topic area and how, exactly, the proposed project will contribute to the body of knowledge and activity that already exists.

IV. The search for amount- and type-specific funds

Grants fall into a number of different categories depending upon the type of support being sought. For example:

- *project grants* consist of funds that support a specific project, such as training or research, to deal with a specific problem;
- *partial support or matching funds grants* are requested when the applicant already has some money but not enough to complete the project, or when the applicant is applying for partial funding from two or more sources;
- *core support grants* support an organization while it is conducting a project;
- *general support grants* support an organization (usually non-profits) in a more general way--the support helps the organization to exist and carry out its broad mission;
- *capital investment grants* are used by the receiving organization to invest in capital, such as purchasing land, buildings or machines, or improving facilities;
- *seed money grants* are used to initiate a small project, to get it running.

Applicants should always check to determine if the type of grant they are seeking is supplied by the funding source. For example, many grant-giving organizations will not provide funds for office construction or equipment, others will not provide money for salary costs or state taxes. Applicants should always ask at the beginning what sorts of restrictions exist.

As previously stated, applicants should not apply for a $75,000 grant from a funding source that has never given more than $10,000 to any one project. Also, the applicant should pay close attention to the *type* of grant. For example, if a funding organization gives media grants in the range of $25,000 to $35,000 but its public policy grants are only in the $2,000 to $5,000 range, then it is unlikely that a public policy grant proposal for $15,000 will get funded. A mistake like this could easily be prevented through one phone call at the beginning of the research process. The applicant should clarify to the funder what topic areas are being funded and what amount will be requested. If $5,000 is the limit from that source, than the grant-seeker should look to other organizations for the rest of the money.

A few words of advice: Never skimp on the research. Find out as much information as possible about all of the possible sources of funding. Find out about all of those organizations' requirements, interests, activities, levels of funding, etc. Find out everything possible about your topic, including initiatives and innovative ideas generated in other countries. Look for good partners. Invest a great deal of time in your project before you apply to any grant-giving organizations--that way you can prove to the funding sources that you are an expert, you are highly dedicated to the project, and that if any more work is to be completed on this topic you will need financial support because you have already done everything you possibly can do without that support.

PART 3

Other Aspects of Funding

I. How to make a joint application for funding

Intra-Country Applications

Joint applications within the same country are relatively easy, assuming that the applicants are willing to share information and responsibilities with the partner institute, university, training center, etc. Many funders receive proposals from similar institutes with similar goals all within the same city. When this occurs, the funding source sometimes funds *none* of the proposals. But if two or three of those institutes were to share their information and expertise by working together, they would be more likely to attract funding.

Applicants interested in joint projects should find a partner institution which has the same goals or is working on similar issues. The two (or more) organizations should then devise a means to share costs, working space, staff, and other resources. This cost-sharing scheme should be listed in the proposal because collaborative efforts and cost-cutting strategies are very popular with most funding organizations.

Inter-Country Applications

Joint applications between organizations in two or more countries can be very complicated. However, they are absolutely worth doing, as they demonstrate trans-fronteir and intra-regional cooperation. Most funders who do inter-country or “regional” funding are the largest organizations and have the most complicated application processes. Many such organizations are governmental or inter-governmental (EU, EU member states, the Council of Europe, UNDP, UNESCO, etc.), and many of them send out RFPs through the embassies, universities and large libraries. For such applications, normally one institute will coordinate a joint application, to which the other partners will contribute. Sometimes it is easier for one partner to complete the application than another. For example, in the case of a German/Polish partnership applying for EU funds, it may be easier for the German partner, as an EU member-state entity, to receive and administer the grant. Some of the inter-country applications can be extremely confusing and difficult to complete, but it can be worth it since these funding organizations have a great deal of money to disperse and they need good organizations which are willing to put in the time and effort.

II. Applying or not applying to the same funding organization a second or third time

Many grant-giving institutions are limited in the amount of funds that they have, and therefore they limit the number of projects or organizations that they fund in a year, or they decide to fund more projects but at a lower rate per project.

Most funding organizations will state their policies on repeat applications from the beginning, and most will usually only give an applicant a grant once in a certain subject area. In addition, most grant-giving organizations will not grant long-term funding (over a year in length). Fund-seeking organizations should search elsewhere for support and should always remember to think about organizational sustainability in the *long-term*. At times it may be acceptable to apply to a funding organization a second, third or even a fourth time, if the funder has approved the application first, but one lone funder should not be relied upon as the main source of financial support for the organization.

III. When not to apply for funds

Some grant-giving organizations only want to support an organization once, whereas others are sometimes pleased to develop a long-term relationship upon which the supported organization can count on yearly funding for several years. Applicants should determine which type of relationship the funder wants before applying several times. Again, reasons not to apply for funds (unless told otherwise) include:

- the funding organization does not fund activities in the subject area of the proposal;
- the costs or the timetable is unrealistic;
- the applicant has no clear or identifiable problem to solve;
- the funding source does not fund projects in that particular country or region;
- the applicant has already been funded by the same funding organization in the past;
- the applicant has not done research on the topic area and is simply desperate for financial support.

Fund-seekers should not waste time applying to organizations to which they have no chance of getting support unless the grant-giving organization decides to make an exception. Applications should only go to appropriate funding sources.

IV. What if the funding source rejects the proposal?

Even professional proposal writers hear “no” more often than they hear “yes.” A “no” must be seen as a challenge. It might be a “no” now, but in six months or a year it could be a “yes.” Rejected applicants should refine their proposal-writing skills and rework the proposal. They should also make their reputations known to the funders, meet with potential funders, do more research, identify other funding sources, identify partners.... Most of all, they should not get discouraged. The grant application process is difficult and frustrating. Those who are easily discouraged will not be successful in the endeavor.

Most funding organizations receive many proposals each year which are worthy of funding but cannot receive their support for a number of reasons. Financial resources might be limited, or the competition might be too high, or the proposal might have been too broad or too narrow or focused on a non-priority topic. However, a rejection does not necessarily mean that the door is closed forever. The applicant may ask why a proposal did not receive funding, if it might be considered at a later time, or if there was not enough information in the proposal. He or she may also ask for suggestions for improving the proposal or if the funding representative can recommend any other funding organizations. Applicants should feel free to ask any relevant question. The funding representative may not *answer* the questions, but he or she might, and such information can be very useful in the future.

V. Organizing the funding source information

Below is a sample, imaginary worksheet on how a fund-seeker might organize some of the collected information about potential funding sources.

Placing the information above from the top ten or so funding sources can clearly show various levels of funding compatibility, as well as suggest ways to apply to two or more funders simultaneously (one for equipment, one for books, one for project costs, etc.). It can also demonstrate areas for which more information is needed. For example, imaginary potential funder #2 could fund the equipment and books needed for the project, but it only funds projects in CEE. Some funding organizations include the Baltics in “CEE”, some do not. Since the imaginary applicant organization in column one is in Estonia, the applicant would have to clarify funder #2’s definition of “CEE” to determine whether it would even qualify for funding.

The construction of a well-researched worksheet such as the one in the example helps to combat against a “no” response by encouraging the applicant to be organized. By using such a chart, the fund-seeker will be certain of to whom she is applying, and for what, specifically, she is applying. If the proposal is rejected from the first organization, the applicant should return to the worksheet for a new strategy, or she should construct an entirely new worksheet. Perhaps she should approach the problem from a new or different angle (such as with a joint application) and apply again. Strategic thinking is essential. The closer the match of the request with the information in the boxes, the less likely the proposal is to get rejected. Time, energy, creativity and persistence eventually will be rewarded.

	Your Organisation	**Potential Funder #1**	**Potential Funder # 2**
Name, address, contact person	1111 St., Estonia Mr. Needsmoney	4499 St., Belgium Ms. Hasmoney	22222 St., NY, USA Mr. Lottabucks
Subject areas of funding	mayor re-training	civil servant training, university reform	training projects, vocational training
Type of funds	equipment, travel, books	travel, materials	all except travel or seed funds
Geographic areas	Baltics	Baltics and Russia	CEE
Type of grantee	training center	training centers and universities	training centers and NGOs
Amount of funds	need $25,000	up to $15,000	up to $50,000
Population group served	mayors—male & female	civil servants & educators	only CEE population
Guidelines, restrictions	n/a	no funding of students projects	letter of enquiry first
Deadlines	project to begin in August 1995	applications reviewed in Jan., April, August	none stated

PART 4

How to Apply

I. Letter of inquiry: What is it?

A letter of inquiry (also called a letter of intent) is a short, 1-3 page letter which is sent to funding organizations as an initiation of first contact. It is a way to ascertain, prior to the creation and submission of a full proposal, whether the project is the sort of activity that the funding source would consider supporting. If the reviewer is interested, he will invite the applicant to submit a completed proposal. The letter should include the goal of the project, the measurable objectives of the project, a summary of the budget, and whether any other funding has or will be secured. It should also explain why the applicant organization is qualified to complete the project.

The opening paragraph, sometimes called an "abstract," should summarize everything pertaining to the project, including the amount of funding being sought. For example:

"The Slovenian Institute of Education, represented here by Executive Director Ms. Sona Drvvvvic, seeks 40,000 USD from The Very Rich Foundation for the 'Education of Mayors' project. Funds are needed to cover the period form December 1, 1999 to March 1, 2000. The total cost of the project is 80,000 USD, and matching funds will be given by the Slovenian Rich People Foundation. This project follows the completion of a six month study and survey of mayors."

With the exception of the complete contact information of the applicant organization, virtually everything anyone would need to know is contained in that first paragraph. A reviewer reading through a stack of letters of inquiry and who has only a few seconds to read through each letter would be pleased to read a paragraph like that. The chances of it going into the "no" pile ("no, we would not be interested in funding your project") diminish.

The letter of inquiry should be similar to a proposal, except the letter is shorter, clearer, and does not contain any charts. A letter of inquiry should contain at least the following elements:

- The complete contact information of the applicant.
- One opening paragraph (or abstract).
- One or two paragraphs about each institution involved in the project (how long the organization has been in operation, what it does, major achievements, goals, etc.).
- One to two paragraphs about the problem to be solved (what part of the city, country, population, etc. will it effect?), with a good problem statement that is quantitative, if possible (e.g. "Over 40,000 people live in poverty," rather than "A lot of people live in poverty").
- One to three paragraphs about the strategy to solve the problem.
- One to two paragraphs about any past experience the organization may have in the funding area (e.g. other projects, special programs, collaborations or publish-

ing, or special achievements that relate to the project), and why the applicant is particularly well suited to address the problem.

- A paragaph about the timeline for the project, detailing what will happen when.
- A rough budget by major category.
- A summary paragraph wrapping up the proposal, thanking the person for his time and letting him know how to contact the project leader.

A common mistake in letters of inquiry is that over half of the letter describes the applicant organization. The first question the reviewer has is, "What, exactly, does this organization plan to do?" If the idea and plan are acceptable, *then* she will review the qualifications of the applicant. A three page letter of which two pages consists of a description of the organization seems to indicate that the organization is trying to cover up the fact that it does not have any good ideas and it has not done enough preparatory research.

Other pieces of advice include:

- Try to address letter to an individual, not an office or title. Use the resource materials that you have collected about the organization to find the name of the Executive Director or other relevant contact. If you have not been able to find the appropriate name through printed materials or the world wide web, call the organization and ask the receptionist to whom inquiry letters should be addressed.
- Include your complete contact information (telephone, fax, address, email, and any other way that the funding organization can contact you.) Particularly with international organizations that work in many countries, include the country in the address and the international country code in your phone and fax numbers.
- You may want to include proof that you have done your research and you know what the funding source does. For example, *"We decided to approach The Very Rich Foundation because of the organization's consistent support for the education of locally elected officials, such as your support of the Training Good People Center in December 1997 and the seminar series for local leaders in the Spring of 1998."*
- Get to the point. Reviewers do not want to wade through pages of research to find in the very last paragraph what you plan to do. Research details should be in the full proposal, not the short letter of inquiry.
- State exactly what you want, such as an application, guidelines for proposals, an appointment, etc. If you state vaguely that you would like to know about possible means of cooperation (i.e. "Please tell me how I can get money from you") you should not expect a response.
- If you meet with a representative of the funding source or communicate with him in another way, take his advice. Given the information that he supplied you, reevaluate the project to see if your project and that funding organization match.
- Follow any instructions carefully.
- Once you have sent your letter of inquiry, wait a reasonable amount of time for a response. The amount of time depends on how you sent the letter. An e-mail

message arrives instantly but the person may not have time to respond to it for a week or two. A letter may take weeks, and the response letter may take another couple of weeks to get back to you. If you do not receive a response within a reasonable amount of time, follow up to see if the organization received it.

Applicants should remember that the granting process takes a great deal of time. Some organizations only review letters or inquiry and proposals two or three times a year. Again, grant-seekers should remember never to become dependent upon the receipt of a grant. They should have long-term operational strategies.

II. The Proposal: Key elements of a good proposal

Cover letter and/or Summary

A cover page is the first page of the proposal. The first paragraph of the cover page should explain the project in its entirety. The summary (if called for) is usually the last paragraph or group of paragraphs of the proposal, again summarizing the project. As stated above, the summary at the beginning of the presentation is necessary because reviewers want to know the point of the project quickly. The summary at the end is sometimes provided so that the reader will finish the paper with a complete picture of the project. This is preferable to the last closing statement being about a relatively insignificant point.

The cover page should include the clearly expressed problem statement. The problem statement should ideally be specific and quantitative, and it should reveal a societal problem that can be solved or at least diminished by the project. For example, a reasonably good problem statement is the following: "In our country, 75% of the mayors cannot balance their city budgets." However, the statement, "We think that some administrators might like to participate in a seminar to discuss the problems of their cities," is not a good statement. The second sentence does not discuss a problem, it discusses a possible *approach* to a problem--an unverified and untested guess about what an unknown number of individuals might want to do. The reviewer will not care what a group of administrators *might* want. Why should limited resources be given to support such a project when the applicant has failed to make a good case for why the project is necessary?

As another example, compare the following two statements:

"We do not have enough training materials."

"At the current time, our training center owns only 2 training manuals, which were copyrighted in 1980 and 1982 in a foreign language. Due to limited resources and the inability of our students to pay higher fees, we cannot offer the high quality training for local government officials which our 300 enrolled students per year require and of which we are capable."

The second statement is better because it is more quantitative and more convincing that the need exists. It also stresses that the problem is societal rather than personal. The first statement implies, "*we* need"; the second statement implies that the *society* needs good local government officials, and the officials are not getting high quality training due to a lack of good training materials. However, a longer and more complex statement is not necessarily better. A good statement is concise, relatively short, readable, and revealing of the *size* of the *societal* problem. It is not focused on what, "we" the applicants need, it is focused on the problems of society.

Goals and Objectives

The *goal* is the statement concerning the large achievement(s) towards which the project activities will be aimed. For example, "We will create a high-quality, influential policy center which will be a major player in shaping public policy in the country." The *objectives* are the more specific, measurable "steps" toward reaching the goal. For example,

"Objective 1: hire 3 influential public policy researchers who have the ability to influence and work with the government. Objective 2: conduct in-depth studies on reform of the tax structure and reform of the pension system. Objective 3: propose legislative amendments to improve these policy areas. Objective 4: meet with government officials to argue for the amendments," etc.

The goal and the objectives should be clear and achievable within the time frame of the project. In the final report, the grantee should be able to describe how each step was accomplished.

Methodology/Program Activity

The methodology takes the proposal to a level even more specific than the objectives. It describes how the applicant plans to meet the objectives. The reviewer should be able to read the methodological section and imagine what the applicant would be doing at every stage of the project.

Using the example above, an inadequate methodology might state the following:

"We will meet these objectives through research and talking with government ministers."

A much more complete methodological description would examine each objective individually and describe *how* it would be accomplished. For example,

"To meet Objective 1, we will contact through written and verbal communication the 12 individuals who have been the most active in the taxation and pension reform fields. We will describe the project as laid out in this proposal, and ask if they would be interesting in working with us. Of the individuals that answer in the affirmative, we will choose the top three candidates, choosing a group that can work together well, represent various interests, and produce high quality results. We estimate that this process will take 3 weeks to complete. To meet Objective 2…."

Another important point in the methodology involves the division of labor for the project. The proposal should describe who will complete which tasks, who will supervise, who will teach, who will evaluate, who will report, etc. Resumes of the project leaders or project staff may be requested by the funding organization. If the project is educational in nature, the funding source may want to know how the applicant plans to choose the students or trainees. What criteria will be used?

Applicants should think clearly about which individuals will be needed for the project and what each person will do at each stage of the project. Such planning will not only assist in writing the proposal and securing funding, but also in managing the project and writing the reports.

Clarity and Language

Proposals should be well planned and easy to understand. The main person responsible for writing the proposal should ask colleagues and other individuals to read through the document and provide advice on how to improve it and make it clearer. Many applicants write in a style with big words and complicated phrasing in order to make the proposal sound more "professional" or "scientific," but this strategy often backfires. The proposal reviewer wants to get to the point quickly and easily. She does not want to spend a great deal of time deciphering the language or wading through sentences and paragraphs that basically say nothing at all.

Most proposals must be written in English, French or German since those are the principle languages of the funding organizations. Applicants who write in a language which is foreign to them should have others, ideally including a native speaker, read through the work for grammatical and spelling mistakes as well as points in the document in which the meaning gets lost. Often phrases and references do not translate well. Applicants may also prefer to write in their native languages, particularly during the project development stage, and then have someone else translate it. Editors may also be used to correct any lingering problems.

Finally, someone who is completely unfamiliar with the project should read the proposal. If he does not understand any single point in the paper, the writer should consider reworking it.

Support from Partner Organizations

Written support, usually in the appendix, from partner organizations is very important to include in the proposal, particularly in the case of joint applications or applications for matching funds. Any other organizations involved should submit a statement on their official stationary confirming their support and participation. If the applicant has already received partial funding for the project from anther source, she should include a copy of the letter from that organization stating the amount allocated. This too should be included in the appendix. This applicant should proudly display other financial support for the project since it demonstrates that other organizations have confidence in the project and the applicant.

In addition, “support” may refer to *institutional*, as opposed to financial, support. For example, if another organization will provide conference space or will work with the applicant on the project, a letter of support should be included. A proposal stating, “We will work with the governments of cities X and Y” has a much greater chance of getting funded if the mayors of the cities write letters to the funding organization stating that they have reviewed the proposal, they think it will be highly successful and useful, and they will cooperate in any way possible with the applicant.

Timeline

A section that describes when each step of the project will occur strengthens the proposal. The timeline should state when the project will begin (which is particularly important if it must start on a particular date, such as the beginning of a school term or the period prior to an election), when each step will occur, how long each step will take, and when the project will end. Provided that the methodology is detailed, the timeline may be relatively simple. It may be textual (e.g. “In May we will advertise for 30 participants, in June we will select the participants, etc.”), or in a chart:

	May Month 1	June Month 2	July Month 3	August Month 4	September Month 5
Advertise	XX				
Select		XX			
Train		XX	XX		
Evaluate			XX	XX	
Report					XX

Charts are a useful way to illustrate a timeline when several steps occur at the same time. They demonstrate this clearly and visually. If additional staff must be hired for certain stages of the project, the chart should state when they will be working (this information will also affect the budget).

Budget

A budget describes the project in financial terms. It shows all anticipated project expenses and how they will be met by all income sources. The budget can be a very useful tool in project planning, and indeed, the preparation of a budget *requires* the applicant to plan the project in great detail.

Often funding organizations have budget forms for applicants to complete. If the institution does not, it can be useful to use the budget forms of another organization to provide structure to the calculations.

How might one calculate a budget?

Step 1: Determine what the project will need at each stage. Initially you might include everything that you *might* need, and then later eliminate unnecessary items or items that are unlikely to be funded.

Step 2: Determine what each category will cost. Guessing about expenses is inadvisable. A better strategy involves making a few phone calls. How much will the conference room rental cost? How much will it cost to publish each training manual? How much will the food for the workshop guests cost? How much is a new printer from the least expensive store in town? Rough estimates are also problematic. Rather than estimating that personnel costs for the year will be 6000 USD, calculate who will work on which stage of the project, what percentage of his or her work time will be devoted to this project, what each employee's wage is, what the tax and social security expenses are, etc. This strategy will result in a much more accurate calculation.

Step 3: Create a column for each anticipated funding source. Some budget requirements ask applicants to calculate which funding sources will be paying for which components of the project. This point is important because some organizations will pay for some expenses (such as publication costs) but not others (such as the purchase of a new computer). Therefore, a separate column must be created for each expense category row.

Step 4: Recalculate the budget, eliminating unnecessary expenses, adding or deleting components of the project, etc. Be careful to refer to your original research concerning such issues as the maximum amounts that specific funding organizations will grant and expenses for which they will and will not pay.

It may also be useful to create a chart like the following:

	May Month 1	June Month 2	July Month 3	August Month 4	September Month 5	TOTALS
Personnel	1,000	1,000	2,000	2,000	2,000	$ 8,000
Equipment		100	100	100		$ 300
Materials	200	200	200			$ 600
Translators				250	250	$ 500
Fellowships			500	500	500	$ 1,500
Travel		3,000				$ 3,000
Hotel		500	500			$ 1,000
Phone/Fax	100	100	100	100	100	$ 500
TOTAL	$ 1,300	$ 4,900	$ 3,400	$ 2,950	$ 2,850	$ 15,400

The chart shows the budget in terms of months, but it could easily be arranged by years, weeks, or other time periods. Unless the funding organization is located in the same country as the applicant, the budget will probably have to be calculated in US dollars, Deutchmarks, French Francs, or Euros. One must remain aware of the exchange rates during the budget preparation period, report-writing periods, and whenever purchases are made.

Items that may appear in a budget include: personnel (all staff, from the project director to the secretary), equipment costs (furniture, renovation, computers, printers, etc.), materials to be used for research and educational purposes (books, papers, software, subscriptions), consultants, translators, teaching materials (such as publication of teaching manuals), travel (including per diem and land travel costs), accommodations, and other expenses (including rent, fax, telephone, e-mail, office supplies, copying, printing, postage, memberships, insurance, etc.). There may be other expenses which are particular to the proposal, country or organization. All such expenses should be included in the budget.

Many funding organizations have specific requirements of the budget categories. For example, some organizations have a separate category for "Administration," which includes rent, while other funding sources may require rent to be in the "Other" category. If there is some doubt as to where to put an expenditure, the applicant should ask the funding source representative.

A budget must be clear as to the length of time that the money is needed and when, specifically, it is needed. These factors should also be taken into account when determining when the grant installments should be sent (note that large grants are usually transferred in two or more installments, enabling the funding organization to monitor project implementation before all the money is sent).

Sometimes a funding source will ask the grantee what he has been doing for funds, and what he will do for future funding when the grant under consideration runs out. This information helps the grant-giver to determine whether or not the applicant is a good investment. Unless the project is only supposed to last a year, the funding organization will have wasted its money if it invests in an organization that falls apart soon after the funding ends. Therefore, applicants should remember to think about long-term planning and sustainability. Doing so not only prepares the applicant for the future and for questioning from the grant-giver, it gives the applicant confidence in presenting the strategies and long-term plans to others.

Proposal Appendix

An appendix provides information that supports the proposal. Some items that may be included are:

- Curriculum Vitae of each major project officer
- A list of the board members of the institution
- A letter proving nonprofit or tax-exempt status
- A list of other funding organizations to whom the project proposal has been submitted, including responses from those institutions or information about when the responses are expected
- Brochures and press information
- Job descriptions of all major project officers
- Letters with price quotes from vendors (in the case of equipment purchases)
- Statistical charts or blue prints
- Letters of Agreement or Letters of Support
- Letters showing financial support from other organizations.

Applicants should always proof-read their proposals, have others review the proposals for clarity and accuracy, and double check the math in the budget. Below is a check list that may be used before submitting the proposal:

1. Check the problem statement. Is there a clearly defined problem? Has the topic of the proposal been thoroughly researched? Does the proposal sound unclear or uninformed?
2. Is the division of labor and responsibility for project elements clear in the text?
3. Is the connection between the problem and the solution clear?
4. Calculate all of the finances again. Do the figures add up?
5. Does the timeline make sense? Is the sequence of events clear?
6. Check spelling, grammar, etc. Is the proposal easily understood?
7. Check all the things that are often forgotten: Is the proposal dated? Have you included your telephone and fax number and email address?
8. Is your Appendix complete with all the information included?
9. How is the tone? Professional and intelligent?
10. How does the proposal look? Is it printed clearly and formatted well, or is it smudged and confused? Do the spacing and fonts make it easy for the reviewer to read? Did you ensure that the most important points stand out from the rest of the text?

One can never re-check and re-read too much. Once the proposal has been sent, the waiting period begins. Receiving a response often takes quite a long time, but the funding organization should be able to provide an idea of when a decision will be made. A review of their literature and web page may help. Because the proposal review and granting process take such a long time, one should never apply for funding for a project that needs to begin immediately. Advanced planning is extremely important.

If a funding organization reads the proposal and becomes interested in the project and the applicant, it may begin a process of either short or extended negotiations, refinements and discussions. The process of negotiation can be very time consuming, but grant-givers want to be certain of all the facts, figures and procedures before they actually grant the funds. This in one reason that the research process is integral to the proposal. When negotiating a contract with a funding organization, the applicant should be as knowledgeable about the project as possible. A lack of understanding of the issues or the project plan could have a very bad impact on the negotiations.

PART 5

Follow-up:
After You Have the Funds You Need

I. The Contract

Eventually the applicant will be notified as to whether or not the project has been approved. If the response is positive, the funding organization will ask the grantee to sign a formal contract. A contract is a legal document which requires each side of the agreement to fulfill its own obligations. The grantee should read the contract carefully and direct any questions that may arise to the granting organization. The contract is like a formal business contract: the grant-giver is giving the grantee funds to fulfill certain obligations, similar to the way that a business might pay a supplier for materials. The grantee must understand exactly what those obligations are ahead of time. Even non-profit organizations or academic institutions that receive funding will be formally responsible for fulfilling the contract. Not understanding contracts or business-like agreements is no excuse.

II. General Reporting

Before signing the contract, the grantee should also be aware of what sort of reporting he is required to do. The grant-giving organization may require a report every month, every three months, every six months, before payment installments, only at the end of the project, etc. It may have special forms or a special format, in which case the applicant should get the relevant materials far in advance of the reporting deadline. One should not submit reports late, as that may put the grantee in violation of the contract, may result in financial penalties, and may delay the next installment of the grant. In addition, a late submission may damage the funder's impression of the grantee. Instead, the grantee should be diligent and ensure that the grant-giver has confidence in his ability.

III. Financial Reports

A grant is intimately tied to the proposal budget. The *budget* describes what exactly the grantee plans to do with the money. The *contract* is the agreement between the two parties that the grantee will use the money exactly as she described in the budget. And the *financial report* is the written record that demonstrates that the grantee used the money exactly as agreed.

During project implementation, the grantee must keep careful records of all expenditures by budget category so that reports can be prepared and submitted detailing *ac-*

tual, versus *planned*, expenditures. In other words, every time one pays a bill, purchases some equipment, pays an invoice, writes a paycheck, etc., one should note the expenditure in a separate column from the budgeted figure and in the same row as the budget category.

Sample Budget Report

	Approved budget	**Spent**	**Remaining**
Personnel	$8000	$3567	$4433
Equipment	$1400	$1329	$71
Travel	$4500	$0	$4500

One must be careful to note the exchange rate at the time of purchase. Neglecting this task may lead to one searching frantically to find the exchange rate of the local currency to the grant currency for each expenditure over a period of several months.

Receipts or invoices of each outgoing payment must be kept for several years after the project has ended, as is specified in each contract. Not only is this important for record-keeping and reporting, it is also important for legal purposes. If the grant-giving institution decides to audit the grantee a year or two after the end of the project and it is discovered that no invoices exist, serious legal troubles may result.

Computers can be very helpful in preparing financial reports. Spreadsheets can be used to show cash flow and to reduce the possibility of errors in calculation. Using computers to keep track of funds requires procedures to ensure that records are kept correctly. Only one individual, such as the project director or the institution's accountant or bookkeeper, should control the finances. That person should have the only computer password that gives access to the financial records. However, when writing a financial report, one should always have a second person check the figures. No organization can afford to be careless with funds.

IV. Progress reports/quarterly reports

These reports are focused more on the goals, objectives and activities. Usually they are required on longer-term projects (nine or more months) and are due every three months. In progress and quarterly reports, one should show that the project is meeting the deadlines set in the timeline, and that it is proceeding according to plan. Any problems or changes should be explained in full detail. It is always better to make the funding organization aware of any problems early in the project rather than at the end. For example, if a change in government makes a planned legislative reform impossible, then this should be reported early. Better that than having to explain at the end of the project why the project was not completed.

Progress reports involve the proposed methodology, and the steps that the grantee has taken to achieve the stated goals. The reports can also include evaluative notes. For example, if part of the methodology has not worked as anticipated and the grantee has an idea as to why it has not worked, he may include the explanation.

V. Documents and record keeping

Any aspect of the reporting process will be made easier by keeping records. One should keep records of everything and save receipts of every transaction. The paperwork allows for "tracking" the grant. Tracking means that there is a paper trail, or a track of all the funds, employees, expenses, records, etc., and if one were to "track" that trail, one would eventually be able to understand all of the finances, bills, employee expenses, etc. of the project.

An easy way to track the project is by keeping a monthly file. All receipts, documents and paper for each month go in one file. Each receipt and piece of paper should be dated. Each month should have a separate file. Any quarterly or progress reports and evaluations should go into a file as well. *Everything should be on file.* In addition, computer files should have backups on disk.

Again, one should keep in mind that since financial reports will have to match the budget format, expenditures should also be recorded by category. One might keep track of categorical expenses by keeping receipts in categorical files rather than or in addition to (using copies) monthly files. Or one might write each (dated) expenditure in the computer spreadsheet underneath the category name. Then when the financial report is due, the individual expenditures may be added so that only the totals are submitted on the report.

VI. Evaluation: collection, compilation and analysis

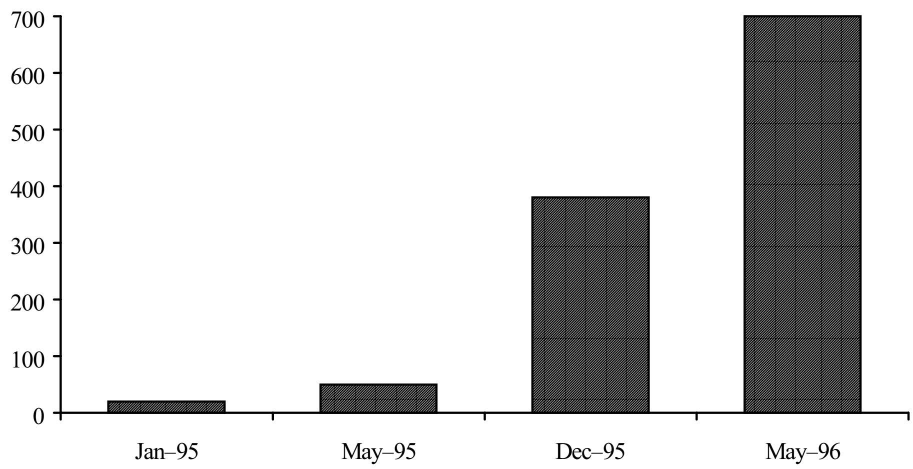
In the proposal, applicants must describe how they will evaluate their projects. There are many ways to evaluate, depending upon what the project involves. If it involves trainees and participants, then those persons may be used to evaluate the project through comment sheets or questionnaires. There are also other ways to measure results. If the project produces materials for use in teaching or training sessions, then those materials may be used for the evaluation. If it involves something physical, such as creating a new training center, then the physical unit can be evaluated.

For other kinds of projects, one must imagine ways to demonstrate that the project was a success. If the project involves drafting legislation, how was the legislation received and did it get passed? If it involves a community development project, was the community pleased with the result? How do you know? Could you do a random sample study to determine how aware the community is of the project and its satisfaction level with it?

Many grant giving organizations prefer independent reviewers to evaluate projects to provide objectivity and to compare the results to similar projects from other areas. Many funding institutions are increasingly providing funds for an outside evaluator.

The use of charts and graphs is an excellent way to visually illustrate the impact of a project, particularly if it affected a large number of people or is quantifiable in some other simple way. For example, the overall effectiveness of a project designed to train civil servants could be illustrated in a chart such as the one below:

Civil Servants Trained in Public Administration



The visual representation can be much more effective in showing impact than pages and pages of written text.

However, one can textually evaluate a project by asking questions such as those that follow:

- Was the project really needed as we originally thought?
- Was it needed by the people we intended to help, or did a whole other population segment become involved?
- How could we have improved what we did?
- What part of our activity seemed to work best and why?
- What part seemed not to work and why?
- What did our trainees/participants think of the project?
- Was the amount of time we anticipated really enough time?
- Was our budget too high or too low?

- Did our methodology change midway through the project?
- If it did, why did it change?

Above are ten possible questions to be used in an evaluation. If one can come up with ten additional substantial question which are specific to the project and one can answer the questions on paper, one has the makings of an evaluative report. But an evaluation is not only something that is done at the end of the project. It is a continuous activity done throughout the project period.

VII. How keeping records can help with additional funding and grants

If someone were to write a proposal who had access to many other written proposals, financial records, budget sheets, evaluation forms, etc., clearly the documentation could provide a strong guide on how to write a proposal, implement a project, evaluate a project, and write reports. This is another reason that careful record keeping is important: it will assist enormously for the next proposal-writing process. Much of the information requested by grant-givers is the same or similar, so careful records, including computer files, provide a strong base upon which to work.

PART 6

Some Final Notes

After an interview or meeting with a potential funder or after receiving funding, the applicant might consider sending a note to thank the individual for his or her time. The Director of the Bureau for Europe and the New Independent States at the United States Agency for International Development in Washington, D.C. says:

> *"It is rare when someone says 'thank you' to me and when they do, you can be sure they stick in my mind as someone special."*

Such a note provides an extra opportunity for the funding representative to remember the applicant. In the future, the representative may feel more inclined to give another grant, speak favorably of the applicant to another funding organization, or work with the applicant on other projects. Saying "thank you" is, in fact, only one of the "Ten Commandments of Getting Funds"[1] which are:

I. *Only prospectors find gold.*
Only by searching and searching well can you find funds. At times, knowing *who* to ask is even more important than knowing *how* to ask. The only way to know who to ask is by doing the necessary research.

II. *Be sure that courtship precedes the proposal.*
Just as you would not propose marriage to someone unless you were certain that the two of you were compatible, you and the funder must be compatible before you make your "proposal."

III. *Personalize your request.*
Your request should be tailored to the funder as much as possible. In general, vague proposals do not get funds. Be certain to explain why your project is just the sort of thing that the funding organization would want to fund.

IV. *If you want money, you need money.*
Organizations tend to give money where others have given money. Matching funds and other sources of income make funding organizations more comfortable with the idea of supporting you.

V. *When asking for money, assume a "Yes."*
A good salesman never says, "*if* you buy this..." but rather, "*when* you buy this...." Avoid being tentative, and treat a funding source as if some eventual beneficial collaboration will come from your efforts. Remember that it is the *job* of the individual who reviews your proposal to find good organizations to which to give money. If she *has* to give money to good people, there is no reason why she should not give the money to you, provided you have done all the other work.

VI. *In written requests, "if you can't scan it, can it."*[2]

[1] Adapted from *Managing a Nonprofit Organization* by Thomas Wolf, Copyright 1990 by Prentice Hall Press, pages 224-227. This is an excellent book on the entire area of grantsmanship, fundraising and the day to day management of an organization.

[2] In American slang, to "can" something is to throw it in the garbage can.

As stated above, most proposals are scanned or read quickly for information. If the required and important information cannot be found easily in a scanned reading, throw it out and start writing again.

VII. *In doing budgets, use correct arithmetic.*
Make sure the figures in your budget add up correctly. Computer spreadsheets can do the math for you, or alternatively, use a calculator. A budget that does not add up correctly makes a funding source distrust your ability to handle money, and you are less likely to receive support.

VIII. *When in doubt, use plain language.*
Jargon and technical language rarely impresses anyone. Clear and simple writing is best.

IX. *Don't take a "No" personally.*
Having a proposal turned down is especially hard for very sensitive people, but it should be viewed as a challenge. Interpret a "No" as "Try again." It pays to be persistent.

X. *No matter how many times you say it, say "Thank you" again.*
Developing a group of supporters is essential. Long-term funding relationships are cultivated carefully by showing gratitude. Reference to the funder in the press or in publications is another way to of showing gratitude and building a relationship with the organization. Never take a funding source for granted, and never forget to say thanks.

An applicant who has followed all of these rules and has not received funding might ask for advice from a representative of the funding organization. Many times a representative will be willing to assist the applicant by explaining which parts of the proposal were good and which were not. Then the applicant can save the core parts of the proposal and try to rework the other parts, eventually creating a stronger proposal. Perhaps the writing style was not appropriate. Perhaps the instructions were not followed completely. Outside advisers, such as colleagues or experts in the field, may also provide advice.

The impression that funding sources develop of applicants comes directly from the applicants and their writing. Applicants who do the extensive research, write and rewrite, read and edit, read and edit again, check their grammar, check the budget, check the timeline, and check the rest of the proposal will be far better prepared to compete for grants and represent themselves and their organizations. Taking the time and doing the work pays off. Good Luck!

Glossary of Terms

This glossary includes all major terms used in this document. It also includes most major terms used on application forms by the funding organizations themselves. Thus, it can be used as a dictionary when in the process of writing proposals and application.

Assets – Everything that an individual or an organization owns (e.g. a building, a car, a xerox machine, a computer, a small library, etc.)

Alumni – Graduates of a university, school, training center or training program.

Baltics – The countries of Estonia, Latvia and Lithuania.

Board – In this case, a group of officials or persons with standing in the community or field who are chosen to govern and assist with the development of an organization.

Capital Support – Type of funding used for construction or renovation of buildings, or to buy major equipment, land, or buildings.

CEE – Central and Eastern Europe. This generally means: Poland, Czech Republic, Slovak Republic, Hungary, Romania, Slovenia, Croatia, Bosnia-Herzegovina, Yugoslavia, Macedonia, Albania and Bulgaria.

CIS – The Commonwealth of Independent States (see also NIS and former Soviet Union). The term generally refers to the countries which used to be part of the Soviet Union, with the exception of the Baltics: Moldova, Ukraine, Belarus, Russia, Georgia, Armenia, Azerbaijan, Turkmenistan, Uzbekistan, Tajikistan, Kyrgyzstan, and Kazakhstan.

Conference – A gathering (usually shorter than a seminar, but not always) specifically held to share and disseminate information, rather than to each or train.

Curriculum Vitae – Also called a "resume." It is a one or more page summary of an individual's education, work experience, qualifications, publications, etc.

Database – A collection of related records, such as funding organizations, organized in a computer file.

Direct assistance – A grant where goods, materials and/or services are given instead of funds.

Effectiveness – Not the same as "efficiency." The effectiveness of a proposal or project is a measure of its effect. An effective project produces a desired change.

Efficiency – Competency or capability of performance. Producing desired change with little waste of money, resources, time, etc.

Endowment – A type of funding to be kept permanently and invested to give income for the continued support of an institution or organization.

Evaluation – A means of measuring effectiveness or efficiency. An evaluation of a project assesses the degree to which the goals and objectives were met.

Feasibility study – A study, poll or research project which is intended to reveal the extent to which a project is feasible or possible. A study such as this may be done before a proposal in order to support the proposal.

Format – The external structure and style of a proposal. Also the "look" of a proposal with proper indentation, spacing, "bold" or darkened headings, etc.

Former Soviet Union – The preferred term for the same geographic territory which is sometimes called CIS or NIS.

Fiscal – Having to do with financial matters, accounting and reporting. This term is often used in a governmental context.

Fundraising – The collection or solicitation of money for an organization, project, program, etc.

Goal – The most desirable situation or condition one wishes to create with the funds or technical assistance of the project.

Grantee – An individual or organization that receives a grant.

Grantsmanship – The art of researching, compiling information and then writing applications or proposals for grants or funds.

Honorarium – A voluntary payment made for services though no payment is legally required, usually for a guest (and expert) lecturer or tearcher for a project.

Incremental budgeting – A type of budgeting which relies on previous years' budgeting and adds a certain percentage of cost per year for inflation and other factors. Since this type of budgeting works best when the organizaiton has budgets from five or more years to refer to, this is not yet the preferred way for many CEE, former Soviet Union and Baltic organizations to budget their proposals since many of them have been in operation for fewer than five years.

Internet – The world's largest computer network. The Internet can be a fantastic research tool for information on topics, funding organizations, potential partner organizations, etc.

Letter of inquiry – A letter explaining an organization's activity and the request for funding. It is sent to a funding source first, before the proposal, to see if it would be appropriate to send a full proposal.

Liabilities – Everything an organization owes (e.g., rent, car payments, material fees, loan repayments, heat, telephone, electricity, etc.)

Matching funds – A type of funding which, in theory, "matches" or equals the amount given by another donor. In practice, matching unds do not always equal the amount from the donor, but do provide part of the cost of a project. The use of matching funds is an excellent way to stimulate funding.

Methodology – Describes the approach that the applicant will use to achieve the Objectives. It explains in detail *how* the applicant will proceed.

N/A – Stands for "Not Applicable." One may write this abbreviation in response to a question or category on an application form which does not apply to the organization or project.

NGO – Non-governmental organization. NGOs tend to be at all levels: local, regional, national and international. They are non-profit organizations which are independent of government.

NIS – Newly Independent States. This is the same area as CIS above.

Objectives – Specifically measurable outcomes which, when completed, will achieve the stated goal.

Operating funds – Funds used to cover daily costs of running a project, program or organization.

Per diem – Literally "for the day." The pocket money each person has per day for meals, local transportation, etc. which are not covered by an expense account or reimbursable. Usually the per diem in CEE/fSU countries is 25 USD to 65 USD, depending upon the funding organization and country.

Philanthropy – Literally "love of mankind." The term means the act of giving a gift—for our purposes, the gift of funds or grants from a wealthy person, family or organization.

Program – A long-term proposed plan of activity, usually six months or more.

Program activities – The "What" of a project. What type of things will the grantee do in order to achieve the goal or objectives?

Project – Generally used to describe a plan of activity which is shorter than a program. Projects also tend to have a beginning and an end, whereas a program can refer to an ongoing plan of action without a defined end.

Purpose – In proposal writing, the "purpose" is the same thing as a "goal."

PVO – Private Voluntary Organization. Often confused with an NGO. The primary difference is that a PVO has a staff of mostly semi-trained volunteers, while an NGO will generally have a well-trained and salaried staff.

Report – An account or record of something. It may be financial, textual, academic, administrative, or all of the above.

RFP – Stands for "Request for Proposal." This request is usually put forth by a governmental agency or office (occasionally a foundation) when it has a specific amount of money it wishes to give away in a specific subject area, a specific geographic area, or for a specific type of project or program. The organization rquests proposals by a set deadline to perform a predetermined project.

Seed money – Type of funding used to help start a new project or organization.

Seminar – A gathering specifically for a teaching or training purpose, usually at least one week to ten days in length.

Specific Aims – In proposal writing, "Strategic Aims" are the same as "Objectives."

Stipend – Payment to a person, similar to a per diem, usually as part of a training or fellowship program. A stipend is enough money for the individual to live on, but smaller than a salary.

Strategy – In proposal writing, "Strategy" is usually the same as "Methodology."

Teaching – In proposal terms this has an academic base. A teaching project implies students (whether graduate or undergraduate), teachers, possibly even exams and an academic setting. It is different than training.

Timeline – A schedule of the times of planned events in a program or project.

Training – In proposal terms, training has more of a "work" base than teaching. Training may be job- or career- oriented and may be in a workplace or "taught" by career professionals. Training usually does not involve exams an does not need an academic setting.

Trustee – A trustee is similar to a board member. He or she administers a trust, which is a piece of property or an organization entrusted to someone with instructions for its use.

Unsolicited proposals – Unique proposals sent to grant-giving organizations which support activities in a certain field; the specific project and proposal are not requested by the funding source. In other words, the applicant is aware that the funding source supports activities in a certain broad field and writes a unique proposal for funding in that field, without the funding source having sent out an RFP.

Workshop – A gathering, usually three to five days in length, specifically for "hands-on training," or training where the participants really participate in the activity.

Zero-based budget – An approach to budgeting where any item in the budget is zero, unless the applicant can provide full justification for some other figure. In other words, no assumptions of funding are made; every number is justified as to why it is not zero.