

Direction on Developing Grant Proposals: Lessons Learned from the Challenge for Change

The purpose of this document is to formally record the lessons learned by the Dunham Fund during the Challenge for Change grant proposal writing competition. It is intended to (1) provide a formal record of the lessons and (2) provide direction for non-profit organizations interested in working with the Dunham Fund in the future (a request from follow up surveys to October 2008 Fund sponsored training).

Any examples that may be cited in this document are used for illustration purposes and should not be construed as an endorsement of a particular program. In particular, if a non-profit organization does not appear to “fit in” with the directions defined in this document, it is not any comment on the organization, its mission or its programs. In that case, perhaps the lesson learned is not to spend time and resources pursuing grants that have little likelihood of being awarded. Our goal is to define the areas where we can successfully work together as efficiently and effectively as possible.

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Dunham Fund Operating Philosophy

The mission of the Dunham Fund is to honor the legacy of John C. Dunham. In that spirit, the Fund supports organizations that work to make the world a safer and more comfortable place for mankind to live and prosper, giving special consideration to Aurora-area organizations engaged in providing education and to organizations engaged in assisting individuals to attain heights they may not have attained without the benefit of such assistance.

The Dunham Fund operates in a somewhat unique manner in the Aurora-area non-profit community. Basically, the Fund follows a venture capital model of operation. Operating in this manner means that the Fund seeks to enable the startup of projects or programs through early participation, but anticipates that ongoing operations will be sustained through other means.

We execute our mission by relying on the non-profit community to help us identify the significant barriers to improved quality of life and proposing programs to address these issues. The Fund then applies its own well-defined evaluation criteria to evaluate proposals. This is best explained by discussing it in the context of the Challenge for Change and how proposals are evaluated.

The Challenge for Change

In 2008, the Dunham Fund began the Challenge for Change grant proposal writing competition. The Fund sought the highest quality proposals that described programs which could affect positive change. To encourage the investment of time and resources to develop a program concept, the Fund offered financial awards for the three best proposals. The awards were offered for proposals that effectively expressed an innovative, collaborative and high-impact program concept, regardless of future implementation. Along with the financial awards, the Fund announced that the initiatives of the Challenge award recipients would automatically be considered for further funding in future grant making cycles if the organization planned to implement the program.

The competition elicited 30 proposals and awards were made in March 2009. (See <http://www.dunhamfund.org/challenge.html> for more details.)

Desired Proposal Content

Although the Fund has defined its mission and provided information about what it would like to see in proposals, many received proposals were perceived as being only superficially related to Fund goals and providing limited data which could be used to evaluate the proposals. *The Challenge for Change was not designed apart from the Fund's ongoing goals or with a unique set of proposal evaluation criteria.*

Rather, it was intended to provide a significant monetary incentive to encourage proposals which could better address what the Dunham Fund sought.

The information below is designed to discuss the Fund's interests in greater detail and how the fund evaluates proposals. It should be used to guide development of proposals.

Mission Alignment

The mission of the Dunham Fund is to honor the legacy of John C. Dunham. In that spirit, the Fund supports organizations that work to make the world a safer and more comfortable place for mankind to live and prosper, giving special consideration to Aurora-area organizations engaged in providing education and to organizations engaged in assisting individuals to attain heights they may not have attained without the benefit of such assistance.

Proposal-to-proposer Alignment

Some proposals received are for projects or programs that seem disconnected from the apparent mission of the proposing non-profit. This may simply be a communication problem. In this case, the need to make explicit how a project or program supports the mission of the non-profit is critical.

In other cases, it appears the current challenging fundraising climate has encouraged some non-profits to propose projects or programs that are partially or not-at-all related to their mission. The lack of alignment is cause for concern since the non-profit may not have the expertise and knowledge to properly implement and effectively execute the proposed program. Without some other compelling reasons, this may lead to the proposal not being considered for funding.

Proposal-to-Dunham Fund Alignment

The Dunham Fund seeks proposals that are closely aligned with its mission. Not every proposal funded is perfectly aligned, but greater consideration is given to those that are more closely aligned. It is possible that proposers see some aspect of a project or program that supports the Fund mission but this aspect is not obvious to Fund evaluators. Therefore, it is suggested that proposals:

- Define explicit goals of the project or proposal
- Explicitly illustrate how this supports the mission of the non-profit
- Explicitly discuss how the goals of the project advance the mission of the Fund.

Grant Proposal Evaluation Criteria

The Fund implements its mission by supporting non-profit organizations focused on education and community development activities. It evaluates proposals according to criteria defined in its grant application. Below are more detailed definitions of the criteria.

Since the Fund uses these definitions in evaluating letters of intent and proposals, proposal writers should be as specific as possible in defining how programs or projects align with the definitions below. Having a different definition of some criteria below does not necessarily mean rejection by the Fund. However, it behooves a proposal to fully compare and contrast the Dunham Fund definition with its own in order to educate and forgo objections by proposal evaluators at the Fund.

Education

While non-profit agencies define education in a wide variety of ways, the Dunham Fund primarily focuses on education within a formal academic setting such as K-12, college and graduate schools. Why? We believe that education is one of the keys to providing individuals with the long term capability to help themselves, a key component of our mission.

Community Development

Community development definition is a subject of much debate and the Dunham Fund is reluctant to narrowly restrict a definition. In essence, we know it when we see it. However, we require a working definition, so here it is: Community development is the expansion of infrastructure, capital, resources, human capital or aggregate capability available to the community on a long term basis that provides support for stronger social or economic interaction and performance. Ultimately, a more capable community will provide a safer and more comfortable place to live and prosper.

Change

We very broadly defined the concept of change and those proposals that hold the most potential to create positive change are given the most consideration for funding. Proposals submitted to the Fund are sometime not clear about what will change and how. This appears to be a communication issue where the problem at issue and the assumptions about the origin of the problem are often not articulated in a way that is clear and easy to understand. Proposals should very specifically answer the questions: What will change? How will this program affect the change? The proposals that are easiest to evaluate generally propose a theory of change that addresses the variety of factors that contribute to a problem which then illustrates how the project or program will go about addressing these factors and therefore promote change.

Innovation

Innovation is characterized by the application of new or different strategies, processes or methods. In regards to non-profit activities, it may also be expressed by redefining known or commonly accepted situations in new terms and seeking to address them.

When evaluating innovation, questions such as these will be asked:

- Is the project or program itself addressing a new problem or an existing problem in a unique way?
- Are the strategies, processes or methods used in a project or program completely new? That is, have they ever been tried before?
- Are existing strategies, processes or methods being applied to new problems?
- Are existing strategies, processes or methods being applied for the first time in the Dunham Fund service area?

Even if an ongoing program is considered innovative, it may be considered that because of the way the program started. By definition, it is not new as it continues. Is some new component of a program innovative? In other words, adding some feature. For example, adding case management to long term social service programs may be innovative if never applied before.

Outcome

Clearly defined expected outcomes provide clear definition and reason to fund programs and projects. Often, proposals are quite nebulous about expected outcomes. The best outcome statements have defined values such as “the program will provide services to X clients.” While outcomes are sometimes difficult to quantify because of unknowns, an attempt to define a successful outcome must be made or proposal evaluators and *program implementers* are not given a mechanism to answer the question: Is this program a success?

Impact

While outcome should define expected successes, impact defines the extent of that success. Impact should be a quantifiable value. The combination of quantified outcomes and impact provide a clear way to evaluate the return of program dollars. Impact must be made as clear as possible. Often, proposals make statements about impact (“this problem affects one million people”, but there is a lack of context (“out of a population of three million”). Without context, impact is impossible to measure. The combination of outcome and impact definitions provide proposal evaluators a way to answer the question: Is this the most effective use of resources?

Effectiveness

Effectiveness may be defined by outcomes and impact. However, in the case of new programs, it may be necessary to discuss the overall effectiveness of a non-profit organization to further provide reasons to support a program or project. Effectiveness can be illustrated by:

- Defining the percentage of dollars used to deliver services (as opposed to organization overhead).
- Illustrating return on investment with measures such as “X dollars” per intervention. Explicit demonstration of changes to this calculation over time can also be used. For instance, “year one costs are X dollars per intervention because of startup costs and year two costs are Y dollars.”
- Discussing prior successes with similar programs.
- Identifying program risks and demonstrating that contingencies have been considered and barriers to success have been identified and addressed.

Leverage

Will a Dunham Fund grant allow a non-profit to get more dollars from other sources?

The Fund is interested in maximizing the value of grants. One way is by supporting programs that use the Dunham Fund grant to pursue other funding sources. For instance, we may consider funding the start of a program that does not have enough data to secure funding from others. Demonstrating how a Dunham Fund investment will bring returns in the form of other funding is a plus in any proposal.

The reverse also demonstrates leverage. Matching programs can be proposed defining how Dunham Fund grants will be used to encourage donations from other sources. When other funding sources know there is already support for a program and that their grants will secure more funding, they have more incentives to award dollars.

Collaboration

Collaboration is the act of working together. It requires an investment of time and/or resources on the part of multiple parties. Collaboration is valuable for several reasons:

- It provides a way to leverage existing resources to more efficiently and cost effectively meet goals even if the resources are in a different organization.
- The community develops long term capabilities to join together and address problems.
- As benefits flow beyond a single organization, the overall economic and functional capacity of the community increases.

Many proposals cite collaborative efforts, but define these efforts differently. Several types of relationships are called collaborative, but are really something else. The type of relationships that are often cited include:

- *Partners*: These actors are true collaborators and are defined as actors who provide both an investment of some sort (time, resources, funding) and receive benefits from joint efforts.
- *Funders*: Additional funding sources are not usually considered collaborators unless they are performing some unusual function such as proactively designing programs or providing ongoing guidance.
- *Beneficiaries*: Many proposals cite other entities as receiving benefits (such as clients for one services program receiving services from a second program) and these relationships, while perhaps not truly collaborative, do demonstrate value being transferred to multiple organizations.
- *Contributors*: Contributors usually add value to programs by adding expertise and experience or representing diverse stakeholder interests. It is difficult to assess if every contribution requires measurable investment and received benefits, so merely listing contributors is not sufficient evidence of collaborative effort.
- *Referrers*: Often, service programs take referrals from other entities. These may or may not be collaborative. If the referrer is alleviating a capacity concern by referring to another program providing similar services, they do receive a benefit. Referral components generally contribute

- *Vendors:* The Fund does not consider vendors collaborators unless the vendors are actually other non-profits being compensated for providing services.

Proposals should answer questions such as: What collaborators are sought? Who are required for success of the program? What are the benefits and responsibilities of each collaborator?

It is possible that a project or program will not benefit from collaboration. If a program is unique, extremely targeted, or singularly efficient, bringing in outside collaborators may add no value. If this is the case, proposals should explicitly discuss this to forestall objections by evaluators.

Bootstrapping

Our mission specifically states that we want to assist “individuals to attain heights they may not have attained without the benefit of such assistance.” The most successful way to do this is through a commitment by the individuals and investment of their efforts. Projects and programs that are “helping those who help themselves” are certainly of interest to the Fund. Grant proposal writers should be as explicit as possible when listing how clients invest in their own future and how grants will enable them to succeed.

Sustainability

Because of our focus on change and innovation, we encourage proposing brand new programs. However, some proposers do not address the issue of operating the program on an ongoing basis. We believe that a highly successful program that cannot sustain itself may be a source of frustration and discouragement in the community and this will not lead to an overall improvement. Sustainability is always considered when evaluating programs. Proposers should explicitly discuss plans for moving beyond Dunham Fund funding and how they will secure funding for ongoing operations.

Conclusion

The above should provide increased guidance for organizations seeking funding from the Dunham Fund. Because of the way the Fund operates, there are some circumstances that the Fund generally avoids.

- *Long term support:* Because we operate with a venture capital model, we do not become a “permanent” source of funding for programs.
- *Operating Funding:* Operating funding is defined as continuing support for established programs. The Fund generally does not participate in such funding.
- *Taking the role of another actor:* The Fund is generally not interested in assuming the role of other funding sources. For example, many non-profits are experiencing delays in promised payments from the State of Illinois. While this is certainly a pressing concern, the Fund generally does not address shortfall such as this.