

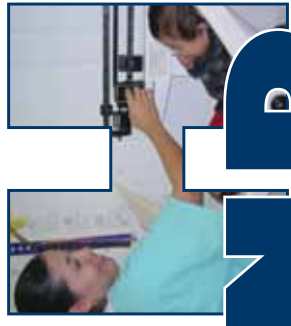


# GRANT GUIDELINES AND APPLICATION PROCEDURES

**DUNHAM FUND**

## THE MISSION OF THE DUNHAM FUND

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 more comfortable, safer 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 LEGACY OF JOHN C. DUNHAM



*John Dunham (1910 – 2006)*

John C. Dunham was born in Nutley, New Jersey in 1910. His father, Thomas, founded the Aurora-based Equipto Company in 1907. John attended West Aurora High School, North Central and Babson Colleges. After graduation, he joined his father's company, working his way up from "errand boy" to retire as chairman of the board in 1994.

During his tenure at Equipto, he continued his education in business school and was known at the company as a champion of enterprise and education. During his lifetime, enterprise and education continued to be his passions for philanthropic giving. He was a strong supporter of several area educational institutions where he inspired students to achieve excellence in scholarship, character development, work ethic and commitment to community service.

MR. DUNHAM'S LEGACY CONTINUES WITH THE DUNHAM FUND.

## THE LEGACY CONTINUED

Today, the Dunham Fund Board of Advisors honors John Dunham's charitable wishes through scholarship and grant making programs that celebrate education, community development, innovation and collaboration in the Aurora area. The Board has established grant evaluation criteria that are unique to the Fund and that they describe as the "Dunham Difference". They urge potential grantees to study the following Dunham Fund grant making goal before formulating a strategy to secure Dunham funding. Those grant proposals that closely adhere to the Dunham Fund's grantmaking areas of interest and application criteria are most likely to be considered for and receive funding.

## APPLYING FOR A DUNHAM FUND GRANT

### I. DEFINING THE DUNHAM DIFFERENCE

The Dunham Fund's primary grant making goal is to measurably and permanently impact the Dunham Fund service area through start up support of new or uniquely enhanced educational and community development programs and capital projects that address a documented need and are innovative, collaborative and potentially self-sustaining, while being purposefully designed to effect positive change through close alignment with the missions of the grant seeking organization and the Dunham Fund.

### II. GRANTMAKING AREAS OF INTEREST

#### II.A EDUCATION

Because education is one of the keys to providing individuals with the long term capability to help themselves, the Dunham Fund primarily focuses on education within a formal academic setting such as K-12, college and graduate school.

#### II.B COMMUNITY DEVELOPMENT

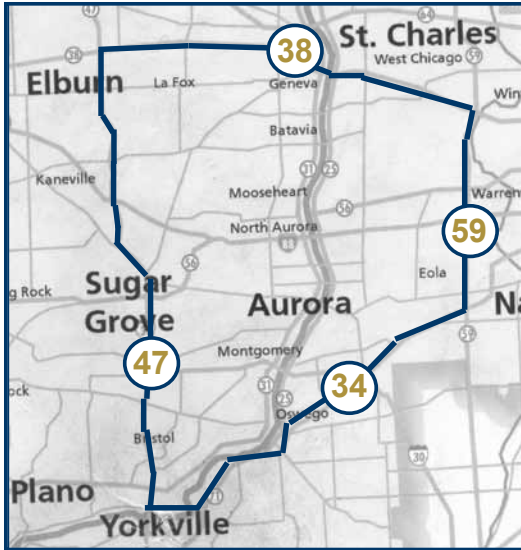
As a working definition, the Dunham Fund describes community development as the expansion of infrastructure, capital, resources, human capital or aggregate capability available to the community on a long term basis that provides support for stronger social or economic interaction and performance. Ultimately, a more capable community will provide a more comfortable, safer place to live and prosper.

#### II.C START UP SUPPORT

The Dunham Fund prefers to provide one-time, start up funding for new or uniquely enhanced educational or community development programs and capital projects. Favoring the venture capital model, the Dunham Advisors do not advocate that the Fund become a permanent source of funding for a program. Grants are ordinarily made for one year only.

## II.D DUNHAM FUND SERVICE AREA

Preference is given to grant applicant organizations located within the Dunham Fund service area. Organizations outside the service area may apply for grants, but proposed projects must demonstrate a significant impact in the service area.



## DUNHAM FUND SERVICE AREA

The Dunham Fund service area is defined in the John C. Dunham Trust Agreement as the area in Illinois lying within Kane, DuPage and Kendall Counties that is bounded on the north by Illinois Route 38, on the east by Illinois Route 59, on the south by U.S. Route 34 and on the west by Illinois Route 47 . . . hereinafter referred to as the “Aurora area”.

## II.E ADDITIONAL GRANTMAKING GUIDELINES

Some additional guidance for organizations seeking funding from the Dunham Fund includes:

1. The Dunham Fund encourages the participation of others in funding projects, and on occasion provides matching funds and challenge grants in an attempt to stimulate increased response from other sources.
2. Particularly innovative and collaborative agencies may be proactively approached and funded by the Dunham Fund to develop “cutting edge” programs to address critical needs in its service area.
3. Grants from the Dunham Fund are generally not made for the following:
  - a. For projects that duplicate existing services
  - b. For any purpose that discriminates as to race, creed, sex, or ethnic group
  - c. To fund contingency funds, reserves or endowments
  - d. To fund general operations or ongoing funding for existing or previously Dunham-funded programs
  - e. For the payment of interest or taxes
  - f. To cover deficit spending or a shortfall in other funding sources
  - g. For obligations previously incurred
  - h. To purchase benefit tickets, respond to telephone solicitation or national fundraising efforts
  - i. To sponsor an applicant’s fundraising event

### III. GRANTMAKING CYCLES

#### THE FUND HAS TWO GRANT MAKING CYCLES ANNUALLY FOR GRANT REQUESTS

Deadlines	Grant Cycle I	Grant Cycle II
Deadlines for submission of Letter of Inquiry	February 1 <sup>st</sup>	June 1 <sup>st</sup>
Deadlines for board decision on Letter of Inquiry and Invitation to submit Grant Application ( <u>ALL</u> applicants will be notified in writing of the letter of inquiry outcome.)	March 15 <sup>th</sup>	August 15 <sup>th</sup>
Deadlines for submission of Grant Application	First business day of May by 4:00 PM	First business day of October by 4:00 PM
Scheduled interviews, if applicable	May-June	October-November
Board review of grant applications	July Board Meeting	November Board Meeting
<u>ALL</u> applicants will receive written notification regarding the status of their grant application. (Grant monies will be released following the recipient's proof of project or program start-up.)	July 15 <sup>th</sup>	November 15 <sup>th</sup>

### IV. BEGINNING THE PROCESS: THE LETTER OF INQUIRY

- The Letter of Inquiry should be signed by the organization's Board Chairman and Chief Executive Officer and submitted by February 1st or June 1st.
- The letter of inquiry is limited to two pages printed on one side of each page.
- The letter of inquiry will be reviewed and a written Invitation to Apply will be extended by The Dunham Fund to approved applicants.
- Read each question carefully. There are numbered references to information in the grant application that will help you describe the program or project more effectively in your letter of inquiry.
- Before submitting a Letter of Inquiry to the Dunham Fund, you can contact the Executive Director to discuss your proposed project. It can be most helpful to both organizations if your letter is previewed before submission.

**The letter of inquiry should briefly describe:**

1. Your proposed new or enhanced Education or Community Development program or project, including objective, implementation and significance in solving a documented community need.
2. How this project will effect positive change in the communities your organization serves.  
(See Section A.2 in the Grant Application to help you describe the project more effectively.)
3. How you will measure the effectiveness of the project by outlining a brief project outcomes and impact measurement plan. (See Sections A.3 and A.4 in the Grant Application)
4. How the program is innovative. (See Section A.5 in the Grant Application)
5. How the program is collaborative. (See Section A.6 in the Grant Application)
6. How the proposed program or project is aligned with the missions of your organization and the Dunham Fund. (See Section A.7 in the Grant Application)
7. Amount requested.  
The Dunham Fund prefers to make one year grants that are currently limited to \$1M.
8. The date the project will begin and the anticipated completion date.
9. Attach a letter or certificate indicating Internal Revenue Service 501(c)(3) status.

## V. GRANT APPLICATION

- THE INFORMATION REQUESTED IN THE GRANT APPLICATION IS ONLY REQUIRED OF AGENCIES RECEIVING AN INVITATION TO APPLY FROM THE DUNHAM FUND.
- A NUMBER OF THE QUESTIONS HAVE ADDITIONAL INFORMATION PROVIDED BY THE DUNHAM FUND LEADERSHIP TO HELP YOU ANSWER EACH OF THE QUESTIONS MORE EFFECTIVELY.
- ANSWER THE APPLICATION QUESTIONS IN THE ORDER THEY ARE ASKED AND NUMBER YOUR RESPONSES WITH THE CORRESPONDING QUESTION NUMBERS.
- ONE SIGNED ORIGINAL AND TEN COPIES OF THE APPLICATION ARE DUE IN THE DUNHAM FUND OFFICES BY 4:00 PM ON THE FIRST BUSINESS DAY OF MAY OR OCTOBER.

### SECTION A PROGRAM OR PROJECT DESCRIPTION

#### QUESTION A.1 PROGRAM OR PROJECT DESCRIPTION

Describe the proposed new or enhanced Educational or Community Development program or project, including objective, implementation and significance in solving a documented community need.

#### QUESTION A.2 POSITIVE CHANGE

Explain how this project will effect positive change in the communities your organization serves. What will change? How will the program or project effect the change?

#### SOME INFORMATION TO HELP YOU RESPOND TO QUESTION A.2

**Change** is defined in the dictionary as “to give a completely different form or appearance; to transform”. In the same way, the Fund broadly defines change and those proposals for projects that hold the most potential to create positive change are given the most consideration for funding.

The proposals that are easiest to evaluate generally propose a theory of change that addresses the variety of factors that contribute to a problem and then illustrates how the program or project will go about addressing these factors and therefore promote change.

#### QUESTION A.3 Need

Identify and quantitatively document the extent of the need for the project in the Dunham Fund service area. You cannot eventually prove a program’s success without quantifying the overall need.

## QUESTION A.4 EFFECTIVENESS

Outline a plan to measure the effectiveness of the program or project using outcome and impact indicators of success. Develop the plan in the context of your proposed project's impact on the documented need and emphasize the benefits to the Dunham Fund service area.

### SOME INFORMATION TO HELP YOU RESPOND TO QUESTION A.4

**Effectiveness:** *The combination of quantified outcomes and impact provides a clear way to evaluate the return on program dollars. It provides the proposal evaluator with a way to answer the question: Is this the most effective use of resources? In the case of new programs, it may be necessary to discuss the overall effectiveness of a nonprofit organization to further provide reasons to support a program or project. If an organization is successful overall, it is more likely to be successful with the proposed program. Organizational effectiveness can be illustrated by:*

- *Defining the percentage of dollars used to deliver services versus organizational 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 start up 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.*

**Outcomes:** *Outcomes define the expected success of a program or project. Proposals should not be nebulous about expected outcomes. The best outcome statements have defined values such as "the program will provide services to a projected number of clients." While outcomes are sometimes difficult to quantify because of unknowns, especially in new and innovative programs, 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: Will this program succeed?*

**Impact:** *Impact defines the extent of the program or project's success. Impact should be a quantifiable value and placed in the context of the total identified and quantitatively documented need. An annual report of project status and measures of effectiveness will be required of grant recipients for the term of the grant.*

## QUESTION A.5 INNOVATION

What makes your program or project innovative?

### SOME INFORMATION TO HELP YOU RESPOND TO QUESTION A.5

**Innovation:** *Innovation is characterized by the application of new or different strategies, processes or methods. In regard to nonprofit 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 the strategies, processes or methods being applied to a new problem?*
- *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, unless some new component of the program is innovative.*

## **QUESTION A.6**    **COLLABORATION**

Explain the extent of your program's or project's collaboration with other organizations providing similar or supportive services. What collaborations are required for the success of the project? What are the responsibilities of each collaborator? If you feel that the project will not benefit from collaboration, give an explanation of why you believe that.

### **SOME INFORMATION TO HELP YOU RESPOND TO QUESTION A.6**

**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.*

*Program partners are the preferred collaborators for a Dunham Fund proposal. Partners are defined as actors who provide both an investment of some sort (time, resources, funding) and receive benefits from joint efforts. Proposals should answer questions such as: What collaborators are sought? What collaborators are required for success of the program? What are the benefits and responsibilities of each collaborator? Simply listing collaborators is not enough information for the proposal evaluators.*

*It is also 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 communicate this in the proposal.*

## QUESTION A.7 MISSION ALIGNMENT

Indicate how the proposed program's or project's objectives align with the mission of your organization. With the mission of the Dunham Fund.

### SOME INFORMATION TO HELP YOU RESPOND TO QUESTION A.7

**Mission Alignment:** *The proposal should be explicit about how the program or project supports the mission of the nonprofit organization. Lack of the program's alignment with organizational mission may be cause for the evaluator's concern since they could assume that the nonprofit may not have the expertise or knowledge to properly implement and effectively execute a non-mission related project.*

## QUESTION A.8 REQUEST

Indicate the amount you are requesting for the program or project.

### SOME INFORMATION TO HELP YOU RESPOND TO QUESTION A.8

*The Dunham Fund prefers to make one year grants that are currently limited to \$1 million.*

## QUESTION A.9 BUDGET

Provide a detailed capital or program budget for the project. Include a breakdown of total project costs.

## QUESTION A.10 COMPARATIVES

Provide an analysis of comparative bids, where applicable. Include drawings, photographs, or sketches.

## QUESTION A.11 PROPOSED SCHEDULE

Indicate the date the project will begin and the anticipated completion date.

## QUESTION A.12 PROMOTION

Highlight any Dunham Fund naming opportunities and outline a plan to announce and recognize a grant award from the Dunham Fund.

**SECTION B PROGRAM OR PROJECT SUSTAINABILITY****QUESTION B.1 SUSTAINABILITY AND LEVERAGE**

Because the Dunham Fund prefers to fund new programs or projects using a venture capital model, discuss plans for moving beyond a Dunham Fund grant to secure funding to sustain the ongoing operation of the program or project. How would you leverage Dunham funding to seek other funds? Where applicable:

- (a) List existing internal and external sources and amounts allocated as operating support for this project.
- (b) List organizations approached or those contemplated as funding sources for the project. Indicate names and amounts from the private sector or the government.
- (c) Give details of fundraising campaigns planned, if any.

**SOME INFORMATION TO HELP YOU RESPOND TO QUESTION B.1**

**Sustainability and Leverage:** *Because of the focus on change and innovation, the Fund encourages proposals for brand new programs and prefers to fund start up costs. Therefore sustainability or operation of the program on an ongoing basis is always considered by the Fund when evaluating programs. Proposers should explicitly discuss plans for moving beyond Dunham Fund support and how they will secure funding for the ongoing operations of the program or project. The Fund believes that a highly successful program that cannot sustain itself may be a source of frustration and discouragement in the community and will not lead to overall improvement. The Fund may award a grant with a matching funds or challenge component or, conversely, may award a grant to an organization that proposes to leverage its Dunham funding to seek other funding sources.*

**SECTION C ORGANIZATION DESCRIPTION****QUESTION C.1 ORGANIZATION DESCRIPTION**

Describe your organization, including mission, date organized, brief history and other pertinent information.

**QUESTION C.2 BUDGET AND OPERATING STATEMENTS**

Include your current fiscal year budget and operating statement through the latest completed month.

## QUESTION C.3 SERVICE AREA ACTIVITIES

List by zip code or by city, the number of individuals (counted only once) served by the agency during the last two fiscal years. In particular, highlight those individuals served within the Dunham Fund service area.

### SOME INFORMATION TO HELP YOU RESPOND TO QUESTION C.3

See Dunham Fund service area map on page two of the grant guidelines and application.

## Question C.4 Supporting Documentation

Include **ONLY ONE COPY** of the following information:

1. Letter or certificate indicating 501(c)(3) status
2. Most recent IRS Form 990 or most recent CPA audit
3. Current annual report and any descriptive literature which details the types of services provided by your organization
4. Names and titles of organization leadership including trustees, directors, board and staff officers

## REMEMBER HOW THE FUND DEFINES THE “DUNHAM DIFFERENCE”

The Dunham Fund Advisors urge potential grantees to study the Dunham Fund grant making goal and guidelines before formulating a strategy to secure Dunham funding. Those grant proposals that closely adhere to the Dunham Fund's grantmaking areas of interest and application criteria are most likely to be considered for and receive funding.





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