

**Con Alma Health Foundation, Inc.**

*The Heart and Soul of Health in New Mexico*

**Grant Writing Basics  
Technical Assistance**



*The Heart & Soul of  
Health in New Mexico*

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## Types of Proposals

### **Sectors:**

1. Public (governmental).
2. Private (includes for-profit, e.g. businesses and not-for-profit, e.g. nonprofits).
3. Nonprofit (referred to as the “third sector” due to size and unique characteristics).

### **Private Sector:**

Foundations (includes private foundations, corporate foundations, community foundations, etc.). Grant guidelines vary from foundation to foundation. Generally there is no standard proposal application process.

### **Public Sector:**

Governmental (includes all public types of funders, e.g. state, federal, etc.) – generally proposal application packet is very structured.

### ***Funders (examples/types of):***

- Private Foundations – Con Alma Health Foundation
- Corporate Foundations – PNM Resources Foundation
- Community Foundations – New Mexico Community Foundation
- Other Giving Vehicles – United Way

## Proposal Writing – Basic Components

### *WHO, WHAT, WHEN, WHERE, WHY, and HOW*

#### **WHY:**

Why do you think there is a problem or need? (Sometimes referred to as the problem or needs statement.)

#### **WHO:**

Who is the organization providing the services/project/program? (Brief mission statement, etc.)

Who will you be serving? That is, population served.

#### **WHAT:**

What will you be doing to address the problem or need? (Objectives)

#### **WHEN:**

Time frame. When will services/project/program take place?

#### **WHERE:**

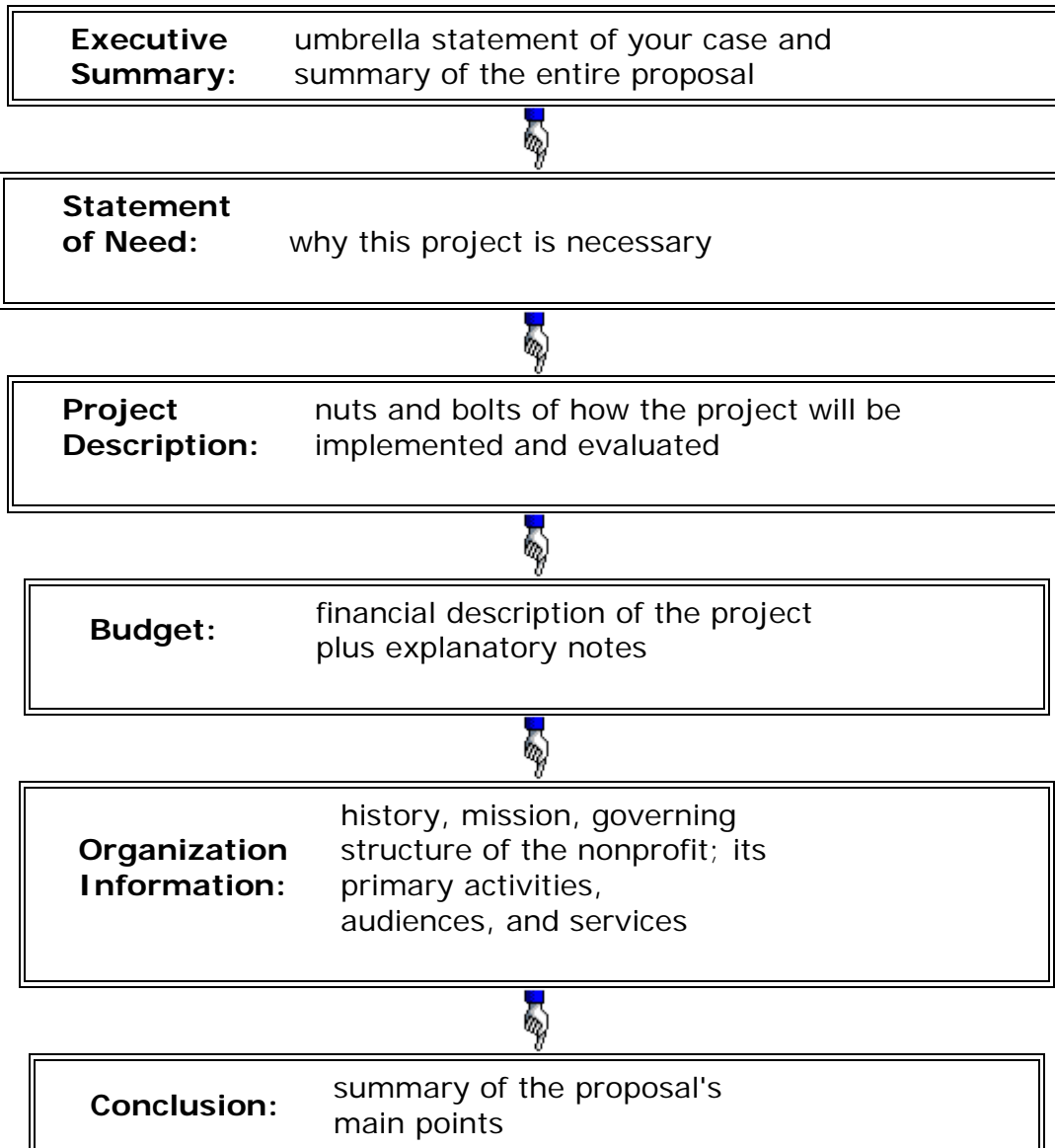
Where will services/project/program take place? For example, the program will be offered statewide, or specifically in Doña Ana County.

#### **HOW:**

Includes staffing, budget (revenue and expenses), facilities, etc.

How will you evaluate your efforts to determine if they were effective?

## Components of a Proposal



Source: Components of a Proposal is from the short course in proposal writing adapted from *The Foundation Center's Guide to Proposal Writing*, 5th ed. (New York: The Foundation Center, 2007), by Jane C. Geever, chairman of the development consulting firm, J. C. Geever, Inc.

Online: <http://foundationcenter.org/getstarted/tutorials/shortcourse/components.html>

**WORKSHEET: Writing a Proposal**

**EXECUTIVE SUMMARY:** Umbrella statement of your case and summary of the entire proposal.

**STATEMENT OF NEED:** Why is this project necessary?

**PROJECT DESCRIPTION:** Nuts & bolts of how the project will be implemented and evaluated.

**BUDGET:** Financial description of the project plus explanatory notes.

**ORGANIZATION INFORMATION:** History, mission, governing structure of the nonprofit; its primary activities, audiences, and services.

**CONCLUSION:** Summary of the proposal's main points.

## Writing Your Proposal Budget

### THE BUDGET SHOWS THE DETAILED COSTS OF YOUR PROJECT

**Show** how the grantor's money will be spent on the **needs** outlined in your objectives.

**Show** how your budget is **reasonable** and **consistent** with the needs you have outlined in your Objectives Statement.

**Detail** the **costs** of your project:

**Direct costs are line items, or explicit project costs:** personnel and the things they will use to carry out the project.

**Personnel costs** can include salaries and benefits.

**Other direct costs** can be equipment, supplies, travel, and publication expenses.

Each cost is listed on a **separate line** in your budget.

**Indirect costs are operating costs or administrative costs** not specifically listed in your budget as line items but are real costs in your project anyway. Time spent processing a payroll or time spent planning and "brainstorming" on your project are examples of indirect costs.

**Balance your budget exactly.**

**Don't underestimate:** this shows that you don't understand your project realistically.

**Don't pad the numbers, or overestimate:** this shows you are trying to get more than you really need.

Source: <http://www.ferris.edu/htmls/administration/academicaffairs/vpoffice/grants/budgets/writingbudget.cfm>

1. **Do your homework.** Make sure that your proposal fits the guidelines.
2. **Follow instructions.**
3. **Stay within your mission.** Avoid mission drift. Funders are interested in the needs of your target population and in fulfilling your (and the funders') respective missions, but there needs to be a good fit. Be specific on how the requested funding will be used to fulfill program objectives and how the request fits with the funder's mission.
4. **Be specific.** Provide specific numbers regarding clients, partners, etc. that your proposed program will address.
5. **Statement of Need.** Don't assume that the funder understands your need/problem. Nonprofit organizations often are so passionate about their mission that they assume that everyone understands why a proposed (or current) project, program, or service is worthy of funding.
6. **Avoid circular reasoning.** In circular reasoning, your solution is the same as the problem. For example, "The problem is that there is no health clinic; therefore, establishing a health clinic will solve the problem."
7. **Using data.** Don't use only national data to describe a local need/problem. National data is helpful to include as part of the framework, but you also need to support the need at the local level with local data.
8. **Budgets.** Check your math. Match the budget with the program request. Ask for what you need and substantiate it with sound figures.
9. **Avoid "proposalese."** Write clearly and concisely. Avoid jargon. Define important terms and concepts, if needed.
10. **Integrity.** Maintain a high level of integrity. Don't pad your budget. Don't promise what you can't deliver. Follow through if funded and keep funder informed of any changes.

*Applicants are strongly encouraged to use the Closing the Health Disparity Gap in New Mexico: A Roadmap for Grantmaking report found on the Con Alma Health Foundation website under Health Resources.*

Please contact us if you have questions. We are more than willing to work with you – just as long as you have done your homework first.

Michelle Gutierrez, Program Officer  
Program Officer  
Ph: 505/438-0776, Ext. 3  
Email: [mgutierrez@conalma.org](mailto:mgutierrez@conalma.org)



## General Dos & Don'ts

These are general tips. However, always Refer to the Letter of Intent and/or Grant Application guidelines

Do	Don't
1. Do organize your materials in the order listed in the guidelines and use subheadings as appropriate.	Don't write one-page paragraphs!
2. Do write clearly and concisely and follow instructions as to number of pages, eligibility, attachments, etc.	Don't exceed page limit or use a font smaller than 12 points (standard) and do not include your own cover page or attachments unless specifically requested.
3. Do use easily removable paper or binder clips.	Don't use permanent binders, folders, fasteners or staples and don't fold proposals/applications unless specifically requested.
4. Do number or otherwise ID all pages, use standard size white paper, and one-sided copies only.	Don't mix one-sided and two-sided copies. Do not use colored paper. Do not forget to number pages and include an ID on pages.
5. Do pay special attention to submission request for an electronic copy.	Don't forget to email a copy of the proposal. Include grant cycle and organization name in the subject line.
6. Do contact your partners and/or collaborators. Each must sign a form to be submitted with the proposal.	Don't wait to contact partners/collaborators, if required. Signed forms must be submitted with the proposal.
7. Do include the amount & name of the specific grant cycle you are applying for.	Don't assume that the Foundation will know amount/or grant cycle your application is being submitted for.
8. Do include the required 501c3 document.	Don't use a different name on your proposal unless you explain the discrepancy (e.g. fiscal sponsor, etc.)
9. Do submit proposals (hard copies and electronic copy) before the deadline.	Don't wait to the last minute to submit your proposal. Do not submit faxed copies.
10. Do ask questions, if you are unclear on the application procedure or materials.	Don't hesitate to contact the program officer, if you have any questions.

## Proposals: Terms & Concepts

Dolores E. Roybal, Executive Director  
Con Alma Health Foundation (CAHF)

### A

**Audit** - An examination and verification of a company's financial and accounting records and supporting documents by a professional, such as a Certified Public Accountant (CPA).

### B

**Bricks & Mortar** – see capital costs/equipment

### C

**CAHF** – Con Alma Health Foundation.

**Capital costs/equipment** - Includes property, vehicles, construction (“bricks & mortar”), renovations or equipment over \$1,000 (Con Alma’s definition. Note that the definition varies by organization/funder).

**Capacity building** - the development of an organization’s core skills and capabilities, such as leadership, management, finance and fundraising, programs and evaluation, in order to build the organization’s effectiveness and sustainability. The tools, skills, knowledge development and opportunities needed to assist an organization in increasing its capacity to fulfill its mission.

**Closing the Health Disparity Gap in New Mexico: A Roadmap for Grantmaking** – report on a research project conducted by Con Alma Health Foundation in 2006 to help guide the Foundation’s grantmaking. The report is based on statistics provided by NM governmental agencies and nonprofit organizations. Available online at [www.conalma.org](http://www.conalma.org) under “Resources.”

### D

**Direct costs** - total costs directly attributable to carrying out a grant project, including salaries, fringe benefits, travel, equipment, supplies, services, etc.

**Direct Services** – services provided to an individual, group or family (e.g. primary and/or behavioral health services).

### E

**Evaluation** - an assessment of the project's success in meeting its intended outcomes..

### F

**Fiscal sponsorship** - A nonprofit, tax-exempt organization that acts as a sponsor for a project or group that does not have its own tax-exempt status. Grants or contributions are made to the fiscal sponsor, which is responsible for managing the funds.

**Fiscal year** - a twelve month period for which an organization plans the use of its funds; for the federal government, the fiscal year runs from October 1 through September 30; for the State of New Mexico, the fiscal year runs from July 1 through June 30. For CAHF, the fiscal year is the calendar year, January 1 through December 31. The fiscal year is designated by the calendar year in which it ends.

**Fringe benefits** - amount paid by the employer for employee benefits such as retirement, health insurance, unemployment insurance, etc.; salary plus fringe benefits equals the total personnel costs.

**Funders** (examples/types of):

- Private Foundations - CAHF
- Corporate Foundations – PNM and PNM Resources Foundation
- Public Foundations/Charities – IRS term/classification
- Community Foundations – New Mexico Community Foundation
- Other Giving Vehicles – United Ways

## G

**Grant** - financial assistance in the form of money, or property or technical assistance in lieu of money, awarded by a government agency or private organization (foundation or corporation) to an eligible applicant to accomplish some public purpose. Grants obligate the grantee to meet specified objectives and hold the system financially liable if funds are not spent in accordance with applicable grant conditions of the funding organization.

**Grantee** - the legal entity to which a grant is awarded and which is accountable to the funding organization for the use of funds provided.

**Grantor** - (also known as funder or funding organization) any legal entity, public or private, that awards grants.

**Grant period** - the period of time specified in the grant award notice or contract during which costs may be charged against the grant.

## H

**Health Disparities Report** – Commonly used name for Con Alma Health Foundation’s report. See “Closing the Health Disparity Gap in New Mexico: A Roadmap for Grantmaking.”

## I

**Indirect costs** - overhead; costs incurred in the overall functioning of the institution; costs not readily identified as direct project expenditures (i.e., accounting services, space, utilities).

**In-kind** - dollar value of non-cash contributions to a project by the grantee or another party other than the funder which directly benefit a grant (examples: volunteer services, equipment use, facilities, staff time).

## J

## K

## L

**Lobbying** - The legal definition of lobbying usually involves attempting to influence specific legislation.

**Logic model** - A logic model is a systematic and visual way to present and share your understanding of the relationships among the resources you have to operate your program, the activities you plan to do, and the changes or results you hope to achieve.

**LOI – Letter of Intent (sometimes referred to as Letter of Interest)**, generally part of a two-step process in grantmaking. First, applicants submit Letter of Intent briefly describing proposal (idea) concept. Then, applicant submits full proposal (usually by invitation only). CAHF uses a two-step process for its Target Grants.

## M

**Mid-term & Final Report** – required by CAHF on all Small and Target Grants. Mid – term refers to the six-month interim report. Final report is due at the end of the 12-month grant period. CAHF has specific formats/forms for these reports.

**Multi-year grant** – refers to grants that are more than 12 months. In 2008, Con Alma Health Foundation developed a new multi-year (3-years) initiative focusing on grants that “invest in the system.” (See Closing the Health Disparity Gap in New Mexico: A Roadmap for Grantmaking, or Health Disparities Report.)

## N

### **New Mexico Charitable Solicitations Act**

- Requires that most New Mexico charities and all New Mexico private foundations must register and file annual financial reports with the Attorney General’s Registry of Charitable Organizations.
- Excluded from this requirement are: Tribal governments; Educational institutions; Auxiliary entities (like parent-teacher organizations, booster and support clubs promoting a school); and Religious organizations organized for the purpose of divine worship or religious teaching.
- A large number of small nonprofits are exempt from 990 filing requirements based on their revenue (less than \$25,000 in gross receipts, or up to a maximum of \$37,500 during the first three years of an organization's existence).

**Norm** – a standard of behavior that is considered normal in society. The customary situation or circumstance.

## O

**Outcome objective** - refers to the measurable change (increase or decrease) in conditions or behaviors as a result of the project's implementation (i.e., by the end of year one, the average SAT score in mathematics for students participating in the project will increase by 5 percentile points).

## P

**Philanthropy** - can be defined in many ways:

- The word comes from the Greek, meaning "love for mankind."
- Modern definitions include the concept of voluntary giving by an individual or group to promote the common good and improve the quality of life.
- In the US, the term "philanthropy" is also used to describe the granting of money to nonprofit organizations by foundations and corporations.

**Process objective** - a major project activity/milestone and timeline for its accomplishment; helps project staff to monitor the project activities and management plan (i.e., By the end of the second month, the in-service workshops will be scheduled); can also refer to a concrete item to be produced by the project, such as a manual or a film (i.e., By the end of the sixth month, the health curriculum supplement will be completed).

**Project/program director** - individual designated by the grantee to be responsible for the administration of a project including project management, submission of all required documents, communicating with the grantor and other appropriate agencies, and carrying out project activities.

**Project/program officer** - the official at the grantor organization who is responsible for the grant program, i.e., supervises technical and program aspects of grants; may also be responsible for administrative and fiscal aspects.

**Proposal** - formal written document that provides detailed information to a funder on the components and cost of a proposed project in response to some substantiated need or problem; represents a plan for change rather than a request for money.

**Public Charities and Private Foundations** - The IRS separates 501(c)(3) organizations into two broad categories: public charities and private foundations.

- Public charities are 501(c)(3) organizations that receive significant public support or fall into another category that entitles them to automatic public charity status.
- Public charities are the focus of NCCS (National Center for Charitable Statistics) databases and account for over 90% of all 501(c)(3) organizations.
- Unless a public charity falls under a filing exceptions, it is required to file IRS Form 990.

## Q

## R

**RFP – Request for Proposals** – term used to indicate that applications are being accepted. A funder's request that includes the guidelines (instructions) and forms necessary, if applicable, for the applicant to submit a proposal for funding.

## S

**Small Grant** – CAHF term for small grant cycle, up to \$15,000. Small grants are specifically for new and innovation projects that can be completed within a 12-month period.

**Solicited proposal** - a proposal that has been invited by a sponsoring agency, usually through a program announcement or RFP.

**Sustainability** – your organization’s staying power. The ability and/or capacity for an organization to continue to operate effectively for the long haul. The experience, capacity, personnel, and other resources which indicate that the applying organization can carry out a proposal/project.

**Systemic change** – to affect change in a system (changes in knowledge/skills, resources, policies, norms, or changes in programs/services/practices in access. A system is a collection of parts that interact to function purposefully as a whole. Systemic change offers an opportunity to enact change while moving beyond thinking about individuals and individual organizations, single problems and single solutions. It entails thinking about *systems* – e.g. policy systems, health systems.

## T

**Target Grant** – CAHF term for large grant cycle, up to \$75,000.

**Target audience/group** - a specified group or category of persons which the project will serve or impact.

**Time-line** - a management tool which details the schedule of project tasks to be accomplished, by whom, and over what period of time.

**Two-step process** – term used to indicate that there are two steps in the proposal process, generally a Letter of Intent and then a full proposal.

## U

**Unsolicited proposal** - proposals submitted by the applicant without formal invitation from the grantor organization or out of cycle.

## V - Z

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### 501(c)(3):

- Type of (nonprofit) Tax-Exempt Organizations under U.S. Law – IRS Tax Code Number
- 501(c)(3) = Religious, charitable, educational, etc.
- There are a number of distinctions among the more than 27 categories outlined by the Internal Revenue Service (IRS).
- Donations are deductible as charitable contributions by donors on their tax returns only to specific types of organizations, such 501(c)(3)s, the most well known category.

### 990 -

Two broad categories of public charities are not required to file Form 990 **Non-Reporting Organizations and Zero-Fileers**. The first category generally includes organizations with less than \$25,000 in gross receipts,

The second category of filing exemption covers religious organizations. Congregations, mission societies, organizations with "exclusively religious activities," and conventions or associations of churches are automatically excluded from the Form 990 filing requirements. Religious organizations that receive the majority of their revenue from serving the general public, however, must obtain recognition from the IRS and are subject to Form 990 filing requirements.

**Sources:**

Grants Administration (Definitions)

<http://www.broward.k12.fl.us/grants/html/resources/definitions.html#I>

Independent Sector, [www.independentsector.org](http://www.independentsector.org)

Logic model definition: W. K. Kellogg Foundation, 2000, p.1, cited in Preskill, H. and D. Russ-Eft (2005). Building evaluation capacity: 72 activities for teaching and training. Thousand Oaks, California, Sage Publications, Inc.

New Mexico Association of Grantmakers. <http://nmag.org/philanthropy.php>

The Urban Institute: <http://nccs.urban.org/guide.htm#CLASS>

*Prepared by: Dolores E. Roybal, Executive Director, Con Alma Health Foundation. Updated May 2010.*