

## Introduction

Grants have been accessed for years as a form of funding for organizations that have financial needs and serve the local community. Grants are an inexpensive way for a club that works heavily in their community to fund club activities and initiatives that align with the grant's requirements. Though grants may be harder to receive than other forms of financial assistance, it is our hope that the process of grant application becomes easier to understand and can become useful to your club in the future.

## Section I: Grants

Per the Association of Fundraising Professionals, a grant is by definition is a: "*a financial donation given to support a person, organization, project, or program.*" It is typically awarded to a nonprofit organization from a foundation, corporation, or governmental agency (Pratt Library).

Grants are usually awarded to an organization with a distinct goal or purpose. An ultimate club that teaches the sport to kids in high risk communities or has a unique relationship with a community initiative has what grant writers call a "distinct goal or purpose".

Grant makers focus on giving funds to:

- **A specific population** (such as children or organizations in Maryland)
- **Certain types of nonprofits** (such as churches or environmental groups)
- **Particular types of support** (such as program development or funding for equipment)

If your club works with or works in one of the demographics provided, it may wise to look for grants that best fit your club's service profile.

## Preparation

The first step to applying for a grant is to list the needs of your club and how much work your organization does in your community. After establishing the needs and involvement of your organization the next step in the process is set an achievable goal that can be pitched to donors and funders. Once the goal established it is time to write to donor and funders and convince them of your club's ability to achieve its goals with the help of their grant.

In addition to your goals and needs the following information could be very useful for your grant application (Pratt Library):

- An in-depth **understanding of the needs of your community** in order to develop an effective solution (program) to meet the problem

- **Knowledge of the available resources of your organization**, so that you can ask for the right type and amount of assistance
- The ability to **match your program and needs to another organization's priorities and criteria for giving**
- **Language skills** for writing an effective proposal
- Enough **cash flow to run your organization and its programs** until the grant funding comes in
- After winning a grant, you will have to **monitor income and expenses, measure the successes and failures of your program**, and report back to the funder.

Proving a club's ability to achieve its goals will be the first step toward being a consistent contender for grant funding. After completing your first goal, document it for future grant letters. This can be used as proof of your club's past performance and could give your club an edge over competing organizations.

Other things to consider when applying for a grant are:

- Capable management, staff, and volunteers
- Appropriate tax status
- Programs that are vital to the well-being of the community
- Fundraising plan, which seeks support from many different sources

### **501(c)(3) Status**

To obtain funding for grants, a club must be of amateur status and must have 501(c)(3) tax status. This enables the club to be recognized as a public charity. To obtain 501(c)(3) Status a club must file paperwork with the IRS to be recognized as a nonprofit. To apply for nonprofit status, visit <http://www.stayexempt.irs.gov/> to fill out the required forms. Upon the IRS's approval a club must keep a copy of its 501(c)(3) Status and its IRS determination letter in order provide it to potential donors. Potential donors can request copies of these documents to confirm the charity standing of the club before providing a donation or before a foundation will provide a grant to the club. The club must report all charitable gifts and activities to the IRS at the end of each year.

## Regular Grants

Regular grants are made for a broad range of purposes and are offered to a large variety of nonprofits (H.F.P.G.). These highly contested grants require the applicant to provide additional information that is to be used to differentiate the applicants. These include:

### New Activities or Services

Regular grants can provide support for start-up organizations, new programs, demonstration projects, studies, or surveys that do not commit the providing foundation to recurring expenditures (H.F.P.G.).

### Size of Regular Grants

In general, foundations do not make Regular Grants of more than \$500,000 to an organization. Most grants are significantly smaller than this maximum amount. The each foundation's Board of Directors carefully considers each application and may award an amount different than that requested by an applicant (H.F.P.G.).

### Frequency and Duration of Regular Grants

Some foundations will often make multi-year grants for program activities. Many of these grants are for three years, with the possibility of a two-year extension under certain circumstances (H.F.P.G.).

In general, organizations that have received a regular grant must wait three years from the date of the award before they are eligible to receive another regular grant (H.F.P.G.). This policy is adhered to by most foundations and is known widely as the "Three-Year Rule." Exceptions to this policy, which is intended to be administered flexibly, include:

- Special Foundation initiatives.
- Nonprofit Support Program grants, including:
  - Strategic technology grants
  - Technical assistance grants
  - Grants for executive searches
  - Loans from the Nonprofit Loan Fund
  - Summer program grants
  - Transitional operating support grants
  - Collaborative proposals, when grantee is fiscal agent/sponsor and receives no direct benefit
  - Other collaborative proposals
  - Grants from restricted funds
  - Grants pursuant to a Foundation RFP or other solicitation
  - Planning grants

Other exceptions to the three-year rule may be made by a foundation under special circumstances. Clubs should be encouraged to contact a program officer to discuss potential exceptions for emergencies, special opportunities, or projects in areas of particularly high need (H.F.P.G.). Due to the high number of applicants for Regular Grants the assistance requested by the corporation may or may not be provided.

## Corporate Grants

Some corporations provide grants to organization that fit a community initiative that is sponsored by the corporation. Clubs that apply for corporate grants need to be aware of two discrepancies that often throw clubs off during the application process (H.F.P.G.).

A Corporate giving program” rather than “corporate foundations” is not:

- A. Separate organizations from the business that funds it – instead, it may be run by the company’s advertising, marketing, or public affairs department
- B. Required to make contributions to nonprofits, or report their activities to the IRS through a 990 or 990-PF form.

These slight variances can be the difference between receiving a corporate grant and coming up empty with your application. To look for a corporate grant use the [Foundation Center's Foundation Directory Online Professional](#) to search for a foundation or corporate giving program that could be a good fit for your organization (Pratt Library). The *Foundation Directory Online Professional*:

- Covers approximately 120,000 foundations and corporate giving programs in the United States.

Allows you to search by:

- Grant maker’s name and location.
- Geographic focus (where the foundation gives its money).
- Type of support (the kind of help the grant maker provides, such as seed money or funding for buildings and equipment).
- Different subjects.

This resource is very helpful in the search for possible grants.

## **Section II: How to Write a Grant Letter**

To write an effective grant letter the writer must be able to communicate the club’s needs clearly and concisely in such a way that the reader is persuaded to give the letter to the foundation’s review board.

Once it reaches the review board it will be in contention for different amounts of grant funds and will more than likely receive some funding for reaching the board's eyes.

### Resources

**Purdue OWL** has been one of the most dependable and comprehensive resources for finding a guide to writing an effective grant letter of inquiry. <https://owl.english.purdue.edu/owl/resource/981/01/>

**Grant Writing For Dummies** is a fantastic resource for finding a step-by-step guide for writing an effective grant inquiry letter from scratch. <http://www.dummies.com/how-to/content/grant-writing-for-dummies-cheat-sheet.html>

### Template

For those looking for a solid letter of intent/inquiry template please take a look at the model posted on the USA Ultimate website.

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### Sources used in the creation of this document

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