

Congressional Research Service

How to Develop and Write a Grant Proposal

Summary

grantsmanship and proposal development should consult the Internet sites listed at the end of this report and explore other resources in their local libraries.

Local governments may obtain grant writing assistance from a state's office of Council of Governments (CSG) or Regional Council. The primary mission of CSG is to promote and strengthen state government in the federal system by providing staff services to organizations of state officials. Grassroots or small faith-based nonprofit organizations can seek the help and advice of larger more seasoned nonprofit organizations or foundations in their state.

Developing Ideas for the Proposal

The first step in proposal planning is the development of a clear, concise description of the proposed project. To develop a convincing proposal for project funding, the project must fit into the philosophy and mission of the grant-seeking organization or agency; and the need that the proposal is addressing must be well documented and well-articulated. Typically, funding agencies or foundations will want to know that a proposed activity or project reinforces the overall mission of an organization or grant seeker, and that the project is necessary. To make a compelling case, the following should be included in the proposal:

- Nature of the project, its goals, needs, and anticipated outcomes;
- How the project will be conducted;
- Timetable for completion;
- How best to evaluate the results (performance measures);
- Staffing needs, including use of existing staff and new hires or volunteers; and
- Preliminary budget, covering expenses and financial requirements, to determine what funding levels to seek.

When developing an idea for a proposal, it is also important to determine if the idea has already been considered in the applicant's locality or state. A thorough check should be made with state legislators, local government, and related public and private agencies which may currently have grant awards or contracts to do similar work. If a similar program already exists, the applicant may need to reconsider submitting the proposed project, particularly if duplication of effort is perceived. However, if significant differences or improvements in t(1)6((i)-5u5(1)-5(3(c)11(an)2(d)5(1)-j3(en)(duc)-cdOs)-2(t)-)-5(a)men(1)-5(a(e1)-3(t)-5(he

assistance, equipment, or space to a worthy project. Not only can such contributions reduce the amount of money being sought, but evidence of such local support is often viewed favorably by most grant-making agencies or foundations.

Many agencies require, in writing, affiliation agreements (a mutual agreement to share services between agencies) and building space commitments prior to either grant approval or award. Two useful methods of generating community support may be to form a citizen advisory committee or to hold meetings with community leaders who would be concerned with the subject matter of the proposal. The forum may include the following:

- Discussion of the merits of the proposal,
- Development of a strategy to create proposal support from a large number of community groups, institutions, and organizations, and
- Generation of data in support of the proposal.

Identifying Funding Resources

Once the project has been specifically defined, the grant seeker needs to research appropriate funding sources. Both the applicant and the grantor agency or foundation should have the same interests, intentions, and needs if a proposal is to be considered an acceptable candidate for funding. It is generally not productive to send out proposals indiscriminately in the hope of attracting funding. Grant-making agencies and foundations whose interest and intentions are consistent with those of the applicant are the most likely to provide support. An applicant may cast a wide, but targeted, net. Many projects may only be accomplished with funds coming from a combination of sources, among them federal, state, or local programs and grants from private or corporate foundations.

The best funding resources are now largely on the Internet. Key sources for funding information include the federal government's *Catalog of Federal Domestic Assistance* (CFDA), <http://www.cfda.gov>, and the Foundation Center, <http://www.foundationcenter.org>, the clearinghouse of private and corporate foundation funding. For a summary of federal programs and sources, see CRS Report RL34012, *Resources for Grantseekers*, by Merete F. Gerli, and other CRS reports on topics such as community or social services block grants to states, rural development assistance, federal allocations for homeland security, and other funding areas, may be requested from a Senator or Representative.

A review of the government or private foundation's program descriptions' objectives and uses, as well as any use restrictions, can clarify which programs might provide funding for an idea. When reviewing individual CFDA program descriptions, applicants may also target the related programs as potential

2. Proposal summary or abstract
3. Introduction describing the grant seeker or organization
4. Problem statement (or needs assessment)
5. Project objectives
6. Project methods or design
7. Project evaluation
8. Future funding
9. Project budget

Cover Letter

The one-page cover letter should be written on the applicant's letterhead and should be signed by the organization's highest official. It should be addressed to the individual at the funding source with whom the organization has dealt, and should refer to earlier discussions. While giving a brief outline of the needs addressed in the proposal, the cover letter should demonstrate a familiarity with the mission of the grantmaking agency or foundation and emphasize the ways in which this project contributes to these goals.

Proposal Summary: Outline of Project Goals

The grant proposal summary outlines the proposed project and should appear at the beginning of the proposal. It could be in the form of a cover letter or a separate page, but should definitely be brief—no longer than t</MC1(e)-2(7 p)2(r)9(oCC /P -0.002 Tw 0 T)-91(o oopos)9he

of funding should be highlighted, for example, statistical projections of how many people might benefit from the project's accomplishments.

Introduction: Presenting a Credible Applicant

future. The problem statement, developed with input from the beneficiaries, must be supported by statistics and statements from authorities in the fields. The case must be made that the applicant, because of its history, demonstrable skills, and past accomplishments, is the right organization to solve the problem.

4. It may be useful to devise a diagram of the program design. Such a procedure will help to conceptualize both the scope and detail of the project.

Example:

Draw a three-column block. Each column is headed by one of the parts (inputs, throughputs, and outputs), and on the left (next to the first column) specific program features should be identified (i.e., implementation, staffing, procurement, and systems development). In the grid, specify something about the program design, for example, assume the first column is labeled inputs and the first row is labeled staff. On the grid one might specify under inputs five nurses to operate a child care unit. The throughput might be to maintain charts, counsel the children, and set up a daily routine; outputs might be to discharge 25 healthy children per week.

5. Carefully consider the pressures of the proposed implementation, that is, the time and money needed to undertake each part of the plan. Wherever possible, justify in the narrative the course of action taken. The most economical method should be used that does not compromise or sacrifice project quality. The financial expenses associated with performance of the project will later become points of negotiation with the government or foundation program staff. If everything is not carefully justified in writing in the proposal, after negotiation with the grantor agencies or foundations, the approved project may resemble less of the original concept.

A Program Evaluation and Review Technique (PERT) chart could be useful and supportive in justifying some proposals. Larger projects can easily be laid out using commercial off-the-shelf project management software such as Microsoft Office Visio or Smart Draw. The software allows the project manager to construct a PERT chart that provides a graphical representation of all tasks in the project and the way tasks are related to each other. Such project manager software provides a variety of report formats that can be used to track project progress. The PERT chart and other related reports can be maintained on a network of computers so that all project participants can access the latest project information.

6. Highlight the innovative features of the proposal which could be considered distinct from other proposals under consideration.

7. Whenever possible, use appendixes to provide details, supplementary data, references, and information requiring in-depth analysis. These types of data, although supportive of the proposal, if included in the body of the proposal, could detract from its readability. Appendixes provide the proposal reader with immediate access to details if and when clarification of an idea, sequence or conclusion is required. Time tables, work plans, schedules, activities, methodologies, legal papers, personal vitae, letters of support, and endorsements are examples of appendixes.

Evaluation: Product and Process Analysis

An evaluation plan should be a consideration at every stage of the proposal's development. Data collected for the problem statement form a comparative basis for determining whether measurable objectives are indeed being met, and whether proposed methods are accomplishing these ends; or whether different parts of the plan need to be fine-tuned to be made more effective and efficient.

Among the considerations will be whether evaluation will be done by the organization itself or by outside experts. The organizations will have to decide whether outside experts have the standing in the field and the degree of objectivity that would justify the added expense, or whether the job could be done with sufficient expertise by its own staff, without taking too much time away from the project itself.

Methods of measurement, whether standardized tests, interviews, questionnaires, observation, etc., will depend upon the nature and scope of the project. Procedures and schedules for gathering, analyzing, and reporting data will need to be spelled out.

The evaluation component is two-fold: (1) product evaluation and (2) process evaluation. "Product evaluation" addresses results that can be attributed to the project, as well as the extent to which the project has satisfied its stated objectives. "Process evaluation" addresses how the project was conducted, in terms of consistency with the stated plan of action and the effectiveness of the various activities within the plan.

Most federal agencies now require some form of program evaluation among grantees. The requirements of the proposed project should be explored carefully. Evaluations may be conducted by an internal staff member, an evaluation firm or both. Many federal grants include a specific time frame for performance review and evaluation. For instance, several economic development programs require grant recipients to report on a quarterly and annual basis. In instances where there are no specified evaluation periods, the applicant should state the amount of time needed to evaluate, how the feedback will be disseminated among the proposed staff, and a schedule for review and comment. Evaluation designs may start at the beginning, middle, or end of a project, but the applicant should specify a start-up time. It is desirable and advisable to submit an evaluation design at the start of a project for two reasons:

- Convincing evaluations require the collection of appropriate baseline data before and during program operations; and
- If the evaluation design cannot be prepared at the outset then a critical review of the program design may be advisable.

Even if the evaluation design has to be revised as the project progresses, it is much easier and cheaper to modify a good design. If the problem is not well defined and carefully analyzed for cause and effect relationships, then a good evaluation design may be difficult to achieve. Sometimes a pilot study is needed to begin the identification of facts and relationships. Often a thorough literature search may be sufficient.

Evaluation requires both coordination and agreement among program decision makers. Above all, the federal grantor agency's or foundation's requirements should be highlighted in the evaluation design. Also, grantor agencies may require specific evaluation techniques such as designated data formats (an existing information collection system) or they may offer financial inducements for voluntary participation in a national evaluation study. The applicant should ask specifically about these points. Also, for federal programs, consult the "Criteria For Selecting Proposals" section of the CFDA program description to determine the exact evaluation methods to be required for a specific program if funded.

Future Funding

The last narrative part of the proposal explains what will happen to the program once the grant ends. It should describe a plan for continuation beyond the grant period, and outline all other contemplated fund-raising efforts and future plans for applying for additional grants. Projections for operating and maintaining facilities and equipment should also be given. The applicant may discuss maintenance and future program funding if program funds are for construction activity; and may account for other needed expenditures if program includes purchase of equipment.

Budget Development and Requirements

Although the degree of specificity of any budget will vary depending upon the nature of the project and the requirements of the funding source, a complete, well-thought-out budget serves to reinforce the applicant's credibility and to increase the likelihood of the proposal being funded. The estimated expenses in the budget should build upon the justifications given in the narrative section of the proposal. A well-prepared budget should be reasonable and demonstrate that the funds being asked for will be used wisely.

and indirect costs should not be in conflict, and the aggregate budget totals should refer directly to the approved formula.

- If matching funds are required, the contributions to the matching fund should be taken out of the budget unless otherwise specified in the application instructions.

In learning to develop a convincing budget and determining appropriate format, reviewing other grant proposals is often helpful. The applicant may ask government agencies and foundations for copies of winning grants proposals. Grants seekers may find the following examples of grants budgets helpful:

- Budget Information, Instructions and Forms
<http://www.neh.gov/grants/guidelines/pdf/BudgetInstructions.pdf>
- Foundation Center: Examples of Nonprofit Budgets
<http://foundationcenter.org/getstarted/faqs/html/samplebudget.html>
- Getting Your Grant Proposal Budget Right
<http://nonprofit.about.com/od/foundationfundinggrants/a/grantbudget.htm>
- Grant-writing Tools for Non-Profit Organizations: Full Proposal Budget
<http://www.npguides.org/guide/budget.htm>
- Proposal Budgeting Basics
http://foundationcenter.org/getstarted/tutorials/prop_budgt/index.html
- UWRF Grants Office: Budgets (University of Wisconsin)
<http://www.uwrf.edu/grants/budgets.htm>

In preparing budgets for government grants, the applicant may keep in mind that funding levels of federal assistance programs change yearly. It is useful to review the appropriations and average grants or loans awarded over the past several years to try to project future funding levels: see "Financial Information" section of the CFDA program description for fiscal year appropriations and estimates; and "Range and Average of Financial Assistance" for prior years' awards. However, it is safer never to anticipate that the income from the grant will be the sole support for larger projects. This consideration should be given to the overall budget requirements, and in particular, to budget line items most subject to inflationary pressures. Restraint is important in determining inflationary cost projections (avoid padding budget line items), but the applicant may attempt to anticipate possible future increases.

For federal grants, it is also important to become familiar with grants management requirements. The CFDA identifies in the program description OMB circulars applicable to each federal program. Applicants should review appropriate documents while developing a proposal budget because they are essential in determining items such as cost principles, administrative and audit requirements and compliance, and conforming with government guidelines for federal domestic assistance. OMB circulars are available in full text on the Web at http://www.whitehouse.gov/omb/grants/grants_circulars.html.

To coordinate federal grants to states, Executive Order 12372, "Intergovernmental Review of Federal Programs," was issued to foster intergovernmental partnership and strengthen federalism by relying on state and local processes for the coordination and review of proposed Federal financial assistance and direct federal development. The executive order allows each state to designate an office to perform this function, addresses of which may be found at the OMB website at <http://www.whitehouse.gov/omb/grants/spoc.html>. States that are not listed on this Web page have chosen not to participate in the intergovernmental review process. If the applicant is located within one of these states, he or she may still send application materials directly to a federal awarding agency. State and regional offices of federal agencies that award grants and other domestic assistance can be found in CFDA Appendix IV at <http://12.46.245.173/CFDA/pdf/appx4.pdf>.

Proposal Appendix

Lengthy documents that are referred to in the narrative are best added to the proposal in an appendix. Examples include letters of endorsement, partial list of previous funders, key staff resumes, annual reports, statistical data, maps, pictorial material, and newspaper and magazine articles about the organizations. Nonprofit organizations should include an IRS 501(c)(3) Letter of Tax Exempt Status.

Additional Proposal Writing Websites

All About Grants Tutorials (National Institutes of Health)

<http://www.niaid.nih.gov/ncn/grants/default.htm>

Grant Writing Tips Sheet http://grants1.nih.gov/grants/grant_tips.htm

EPA Purdue University Grant-Writing Tutorial (Environmental Protection Agency)

<http://www.purdue.edu/envirosoft/grants/src/msieopen.htm>

Grant-writing Tools for Non-Profit Organizations (Non-Profit Guides)

<http://www.npguides.org/>

Sample proposals: http://www.npguides.org/guide/sample_proposals.htm

Proposal Writing Short Course (Foundation Center; English and Spanish)

<http://fdncenter.org/learn/shortcourse/prop1.html>

Where can I find examples of grant proposals?

<http://foundationcenter.org/getstarted/faqs/html/propsample.html>

Sample Proposals (SchoolGrants.org)

<http://www.k12grants.org/samples/>

Selected Proposal Writing Websites (University of Pittsburgh)

<http://www.pitt.edu/~offres/proposal/propwriting/websites.html>

Tips on Writing a Grant Proposal (Environmental Protection Agency)

<http://www.epa.gov/ogd/recipient/tips.htm>

What Reviewers Look For (College of William and Mary)

<http://www.wm.edu/grants/PROP/reviewers.htm>

Writing a Successful Grant Proposal (Minnesota Council on Foundations)

<http://www.mcf.org/mcf/grant/writing.htm>