Successful Grantwriting

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Appetite for Grant Proposals

Know the hunger of your funder

• Casual Dining
  Snacks
  • Local foundations, CRA grants
  • Fills paperwork requirements

• Elaborate Dinners
  – Federal Grant Competitions
  – National Foundations & Associations

• Light Meals
  • Larger foundations, Local governments, Allies
  • More substance needed
Appetite for Grant Proposals

Feed the hunger of your funder

- **Casual Dining**
  - Relationships Matter
    - Grants often won before proposal is written
  - Grantwriting Matters
    - Know and record your plan and objectives
    - Manage funder expectations
    - Improve chances for grant renewal
  - Be Efficient and Effective
    - Don’t prepare a feast when a snack will do
    - Don’t toss a bag of chips at a hungry lion

- **Elaborate Dinners**
  - Performance Matters
    - Track record and experience scores well
  - Grantwriting Matters
    - Detailed formats for quantitative information and narratives
  - Resources Matter
    - Quality ingredients
    - Master Chef
Today

Feed the hunger of your funder

• Casual Dining
• Elaborate Dinners

Part 1
Fundamentals of Successful Grantwriting

Part 2
Deeper Dive into CDFI Grantwriting
Preparing a Successful Proposal
Why Seek Grants? Why Give Them?

• Supplements thin margin of profitability
• Reduces risk inherent with lower-income populations
• Impact—jump starts growth
• Supports innovation
• Catalyst for action
Telling Your Story

• Need/Problem--In the community, in the credit union
• Capacity--Why you?
• Solution—Why this?
• Impact/Outcome—What are the results?
Need or Problem

• Why is outside money needed?
• Whose problem is it? CU, community, specific groups or neighborhoods?
• If it’s a credit union problem, why can’t it be addressed with internal funds?
• Do data demonstrate the need?
Capacity

• Why is your credit union the best to address the problem?
• Experience, staff, community connections, etc.
• Honest assessment of competition
Solution

• Why is this the right answer to the problem?
• Have you or others considered/tried other options?
• Data or examples to support your case
• Cost-effectiveness, sustainability after grant
Impact/Outcome

• Impact on the credit union, community, specific groups, etc.
• Difference between output and outcome
• How much will the problem be addressed or alleviated?
Plan for Success Before You Apply

• Is it worth your time? Cost-benefit analysis
• Don’t apply if you can’t produce
• Reality check:
  – Are your goals realistic?
  – What added resources will you need?
  – Who’ll be in charge?
  – Reporting and compliance are the price of success
  – What happens when the funding ends?
Getting it Together

• Grant applications are a lot of work!
• Someone (with authority) needs to be in charge
• Everyone needs to be on board—no surprises
• Rewards and thanks
Writing the Proposal

• Follow the instructions!
• Answer the questions
• Understand the questions! Ask if you don’t
• Apply from strength, not need. Toot your own horn
• Stand out in the crowd
Writing the Proposal

• Check for completeness, responsiveness to questions
• Write the summary last
• Proofread, proofread, proofread! Words and numbers must agree
• Have an outside reader
• Measure twice, click once
After Submission

• Don’t disappear
• Anticipate and be prepared for questions
• Evaluation—How will you measure what you do and the impacts produced?
• Use rejection as an opportunity
Timing

• Notice of Funding Availability (NOFA)
  – No Guarantee, but expected after January 1st
  – Deadline generally 6-8 weeks after NOFA

• Compliance
  – Prior awardees must be up to date
  – Annual Certification Report submitted
  – Questions should be addressed to CDFI Fund Compliance Unit
Top 10 Tips for CDFI Applicants

1. Be a Competitive CDFI
   - Loan deployment, leverage, growth
   - Financial safety and soundness
   - Management, strategic planning
   - Financial counseling & other Development Services
   - Strong Community Partnerships
Top 10 Tips for CDFI Applicants

2. Master Your Data
   - Know Your Defined CDFI Target Market
     • Investment Area, LITP and/or OTP
     • Recent data on financial needs, economic distress
   - Know Key Target Market Performance Data
     • Lending (# and $ of loans by product category)
     • Development Services (# members served)
     • First-time acct holder, homeowners, etc
Top 10 Tips for CDFI Applicants

3. Master Your Story
   – How do you change individual lives?
   – How do you help families?
   – How do you improve your communities?
   – Answers should connect products and services directly to Target Market challenges, such as
     • High cost fringe financial transaction services
     • Predatory lending
     • Unbanked and underbanked
     • Low/no savings
Top 10 Tips for CDFI Applicants

4. Write for Your Audience
   – Be clear, concise
     • Text limits are strictly enforced
   – Explain Terminology, write for non-experts
   – Assume no prior knowledge of credit unions
     • Non-profit, member-owned cooperative
   – Recruit a non-expert as proofreader
5. Answer the Questions!
   – Don’t cut and paste into CDFI narrative – write fresh responses to application questions
     • Especially important with new application in 2017
   – Make it easy for Readers to find answers
     • Subheadings in narrative
   – Cut out all extraneous information
Top 10 Tips for CDFI Applicants

6. Make Attachments Beautiful
   – Run OCR on all PDF attachments to make them searchable
   – Make sure relevant information is easily found
     • Add tables of contents, highlighting, as needed
     • Make sure any page references to attachment content are correct
Top 10 Tips for CDFI Applicants

7. Ensure Consistency
   - One person must be responsible for final product, including all components of application
   - Complete all financial charts and generate all MPS ratios *before* writing narrative
   - Narrative must match chart and explain numbers and ratios *as they are presented in application*
   • Any negative historical ratios or numbers must be explained fully in narrative
Top 10 Tips for CDFI Applicants

8. Budget Ample Time
   – CDFI grants offer high return on investment over time
   – High quality applications require significant commitment of time and planning
   – *External grant writers can reduce but do not eliminate need to budget ample time*
Top 10 Tips for CDFI Applicants

9. Assemble Your Team
   – Choose Application Point Person
     • Must have authority to get timely responses from key management, staff and board members as needed
   – Decide on Grant Writer
     • In-house vs. contract
     • If using a consultant, recruit as early as possible
Top 10 Tips for CDFI Applicants

10. Know What You Want
   – Develop Big Picture Plan
     • How much will you request?
     • How will grant help expand products, services and positive impact in community?
     • Why is grant needed to do these things?
     • How will you produce more impact with grant than other CDFIs?
   – Get buy-in from key managers, staff and board members
Essential Accounts

• SAM.gov
  – Make sure organization is registered, profile is up to date
  – Update all user passwords as needed
  – New registrations can take up to 10 business days – *start early!*

• Grants.gov
  – SF-424 will still be submitted through this portal
  – Check usernames, passwords are up to date

• CDFI Fund AMIS
  – Main application submitted through AMIS
  – Check usernames, passwords
  – Complete any missing elements of Org Profile
Background Preparation

• Read CDFI Draft Application

...and Federation Comments
### Shift in Emphasis

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<td>3. Market &amp; Competitive Analysis</td>
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<td>4. Management &amp; Staffing</td>
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<td>5. Financial Position</td>
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<td>6. Growth &amp; Financial Projections</td>
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**2017-2019**

- Business Strategy: 2,450 words (min), 3,425 words (max)
- Products & Services: 300 words (min), 300 words (max)
- Market & Competitive Analysis: 400 words (min), 1,000 words (max)
- Management & Staffing: 200 words (min), 200 words (max)
- Financial Position: 1,500 words (min), 1,500 words (max)
- Growth & Financial Projections: 1,800 words (min), 1,800 words (max)

**2014-2016**

- Purpose: 10 points, 500 words
- Products: 10 points, 1,800 words
- Policies: 10 points, 700 words
- People: 10 points, -
- Partnerships: 10 points, 1,300 words
- Performance: 40 points, 2,300 words
- Projections: 10 points, 1,200 words

**Totals**

- Words limit: 7,025 (min), 8,600 (max)
- Points: 100
- Words: 7,850
Key Comments on New App

• Focus Remains on Lending
  – Little or no room for strategies centered on financial services, development services

• CDFI Fund still does not use regulatory terminology
  – Focus of advocacy for CDFI banks and credit unions

• Substantive debriefs needed for all applicants

• Performance data scoring must be consistent

• Reviewers must have credit union expertise
Documents to Prepare in Advance

- Org Chart
- Financial Statements for past 3 years
- Résumés for key staff
  - Updated with clear statement of current role in credit union business plan
- Bios for all board members
- Complete Lending Policies and Procedures
  - Underwriting
  - Portfolio Monitoring
  - Risk Management
  - Management Information Systems
Data to Collect in Advance

- Financial Performance Ratios for past three years
- Descriptions of key loan and transaction products
- Loan data by product category for each of past three years
  - Total number and amount of loans
  - Total number and amount of loans in your CDFI Target Market
- Development Services
  - Numbers of clients for each service by year
- Data on special products and services
- Data and anecdotes of positive impact
- Recent data on local economic and financial needs
Decision Time

Would you give you the money?

• How strong is your case?
  – Financial trends
  – Capital constraints, speed of deployment
  – Target Market focus, impact
  – Community ties, experience
Decision Time

Would you give you the money?

• Do you have the matching funds?
  – Dollar-for-dollar, non-federal match in type and terms
  – Credit union can use retained earnings
    • Big advantage over non-regulated CDFIs
    • Retained Earnings calculators included in application materials
Decision Time

Would you give you the money?

• Do you have the resources to apply?
  – The team
    • Point person
    • Grant writer
    • Key managers, staff
  – The time
    • Management planning, expectations
    • Board support
Questions?
For More Information

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