

FUNDED



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March 2012

Proposal Development Special Guide: Tips for the Budget

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World-class grants intelligence, at your fingertips

PROPOSAL DEVELOPMENT SPECIAL GUIDE: TIPS FOR THE BUDGET AN IN-DEPTH LOOK AT CRUNCHING THE NUMBERS BY CHRIS LAPAGE, SENIOR GRANTS DEVELOPMENT CONSULTANT

Show me the money! As far as a grant funder is considered, it is probably more appropriate to say "show me how you are going to spend the money". For the applicant, it is the piece of the proposal that is likely to keep you up at night. After all, the reason you are seeking grant funding the first place is because you are most likely facing a funding deficit for an important project. It is only natural that you may be preoccupied with budgetary needs while you are still developing the project and the accompanying proposal narrative. Unfortunately, it is this preoccupation that ultimately leads many applicants astray with their funding proposal.

This article does not suggest that there is a single magic bullet as there are many acceptable pathways to completing a budget. However, there are certain items that must be considered and addressed along the way. When you start developing the budget for your next proposal, keep the following in mind:

- 1. Maybe there is one wrong way to eat a Reese's™.**

That is, if you consider your budget a delicious peanut butter cup. While there are countless valid methods to pull together a budget, there is one wrong way in the context of a grant proposal. A complete draft of the

budget should be sidelined until you have tackled at least one draft of the project narrative. Funding is necessary so that you can purchase resources to complete a worthwhile project. The budget gives the grant program reviewer a picture of the funding necessary in order to acquire those resources and bring the project to fruition. Logic dictates that in order to get an accurate financial depiction of the project (budget), you must have a detailed description of the initiative itself (project narrative). While you are typically required to accompany a budget with a narrative explaining why each line item is necessary, the true justification
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Grant Program Spotlight:

Urban Areas Security Initiative (UASI) Nonprofit Security Grant Program (NSGP)

The FY 2012 NSGP provides funding support for target hardening and other physical security enhancements and activities to nonprofit organizations that are at high risk of terrorist attack and located within one of the specific UASI-eligible Urban Areas. The priority for FY12 is advancing "whole community" approach to security and emergency management.

The total amount of funding available is \$10,000,000. Each nonprofit must apply through their State Administrative Agency (SAA) for a grant award of up to \$75,000. Cost sharing is not required.

Eligible nonprofits should contact their respective SAAs for application processes and deadlines. The federal deadline for SAAs to submit applications on behalf of eligible nonprofits is May 4, 2012.



(continued from page 1) begins with the project narrative. In many ways, the budget will naturally flow out of all the details you provide in the project narrative. Grant funders are focused on making an impact for the greater good; this usually means addressing the needs of some target population. When you attempt to develop a project narrative around your pre-developed budget, the proposal reflects that approach. In other words, you end up with a proposal that seems to focus on the financial gaps of the applicant rather than the needs of the target population.

2. Some things are in black & white.

Award Range

There is no question that many grant funders leave a lot of gray area in their proposal submission instructions. When it comes to the budget, there are certain items that leave no room for debate. You must be careful to familiarize yourself with the entire grant guidance because these “black & white” issues could be buried anywhere in the document. Begin with the “Award Information” or “Funds Availability” section and find out whether there are any award ceilings or floors. Often times, applications are dismissed without review if the budget is outside the funding range. It is not good enough to look at the budget in totality across the projected funding period as many

funders limit the annual request allowed in each budget year. If the funding range appears to be open-ended or undefined, you should look into the past history of the grant program (or the funder in general) to gain some insight into what might be an acceptable request.

Cost Sharing

Another important area to consider is any requirements pertaining to a cash match or cost sharing. While this issue is usually black and white, it should be said that it is occasionally a gray area as well. This is particularly true when a program allows you to put up in-kind contributions as opposed to requiring a straightforward cash match. The

primary component to make sure you get right is the amount of matching funds that are required. Most funders state this as a percentage or ratio. When the match is in the form of a ratio it is usually straightforward, such as a requirement that the applicant puts up \$1 for every \$10 in grant funding requested. However, you need to pay close attention when the match is presented in the form of a percentage. Some funders will state the match requirement as a percentage of requested funds while others will present it as a fraction of total project costs. Failure to notice such a distinction can completely derail your (continued on page 3)

ATTENTION TELEHEALTH NETWORK GRANT PROGRAM (TNGP) APPLICANTS!

HRSA will hold one, 1 ½ hour pre-application conference call for potential TNGP applicants. The conference call will provide an overview of the program guidance and will include an opportunity for organizations to ask questions.

The pre-application call information is as follows:

- 3 PM (EST) on Wednesday, March 21, 2012
- Call in number: 888-946-7493
- Passcode: TNGP2012
- Applicants are encouraged to call in 15 minutes prior to the 3 PM (EST) start time
- The replay number for the pre-application call is: 866-469-7797. The replay recording will be available until the deadline date to submit applications, at 11:59 PM, ET.
- When possible, applicants should share phone lines to ensure sufficient lines are available.

To conserve telecommunications costs and ensure sufficient lines are available for everyone, HRSA is requesting each prospective applicant to use only 1 telephone line to call in.

TNGP funds support the development of telehealth and tele-homecare networks. The deadline for this opportunity is April 13, 2012.

(continued from page 2) entire application. For example, if you have a \$200,000 project and the grant program requires you to match 20% of the total project costs, you have to put up \$40,000. However, if you are required to match 20% of the funding request for the same project, you would be required to put up \$33,333 in match funding for a request of \$166,667. In this scenario, misinterpreting your denominator could lead to you not offering enough match and a denied application.

If the program allows in-kind matches, make sure you are aware of what is allowable as an in-kind contribution. Usually, any in-kind contributions must be items/equipment that you would be able to purchase with the grant

funds. In addition, you must ensure to consider any time period restrictions for in-kind contributions. Last but not least, some grant programs may require you calculate the percentage of use that a certain in-kind contribution will be used for the project. If you include a previously purchased computer as an in-kind contribution (\$1,000) but it will only be used 50% of the time for this particular project, you may only be able to count \$500 as match funding. If a funder discounts an in-kind contribution for any of these reasons, your proposal may fall short of the cost sharing requirement and be denied funding. That is why they say cash is king when it comes to matching funds. Even in the absence of a cash match requirement, for most grant

programs it is essential for you to document external sources of funding for the project in a separate section of the overall budget.

Funding Restrictions

The final area to consider is allowable costs versus funding restrictions. Unfortunately, most grant programs do not put forth an exhaustive list of allowable costs as it is left to the applicant to prove why budget items are integral to the completion of the project. However, most funders generally do provide a list of restrictions. While there is usually a section dedicated to funding restrictions in the grant guidance, the truth is that they can be incorporated into various sections of the application instructions. If capital construction is explicitly listed as a funding restriction, there is no amount of justification that will encourage the funder to approve your proposal. It is always wise to double check your line item budget against the funding restrictions. Be careful, as certain restrictions may be buried in other sections of the guidance, perhaps where they address inclusion of technology or equipment. For instance, a funder may state that the budget for hardware and software cannot exceed 25% of the overall request amount. This speaks to a larger

(continued on page 4)



(continued from page 3) point... funders are interested in well-rounded projects (training, personnel, equipment) rather than a product and service wish list. While such restrictions are usually based on percentage of grant dollars requested, it may be stated as a fraction of total project costs as well.

3. What about the gray areas?

As previously stated, grant programs are usually full of gray areas. The misconception is that a reviewer compares budgets to examine bang for their buck. With some foundations, being frugal might be a priority. However, with the vast majority of grant programs, reviewers are charged with examining the budget to ensure that the cost structure is reasonable. The funder wants to be confident that the costs included in the budget are both necessary and reasonable to complete the project. If you are trying to low-ball pricing points in order to show the funder you are doing more with less, instead of impressing the reviewer you may in fact derail your application. Overstating costs can leave a bad taste in reviewer's mouths as well. Work with anticipated vendors to build out an accurate cost structure for the

products and services you will be purchasing with the grant funding. Even if you have a single vendor in mind, it may be a good idea to get several quotes to ensure that the figures you include in the application are indeed reasonable. A cost is considered reasonable when it is consistent with the scope of work that has been articulated (project narrative). There may be some gray areas when it comes to what costs are allowable or how they should be classified. Make sure to break down the budget into the categories required by the funder for the specific program you are targeting. Typical classifications for the budget include personnel, fringe benefits, travel, equipment, supplies, contracts, and indirect costs. Most programs will also have an "other" category for miscellaneous expenses that do not fit cleanly into any other category. Remember to double-check that you are not exceeding any request limits for each of these budget classifications. For most large federal programs, equipment has a very specific definition: any item that has a unit cost more than \$5,000 and a useful life greater than one year. Anything that doesn't quite fit that definition is usually classified as a supply for the project. This is an important designation especially when

equipment costs are capped for a particular grant program. Items that can be reclassified as supplies do not count towards the cap. If you are unsure where a particular cost goes or it is unclear if it is allowable, you must convince the reviewer that is necessary for project completion in the justification narrative that accompanies the budget.

It is almost a guarantee that you will face some tough questions while your developing a budget for your grant proposal. Unfortunately, even if you have read every word of the application instructions, there will still be gray areas. The key to putting forth a compliant and competitive budget is to do your due diligence in making sure the financial request is consistent with the project narrative (necessary) and the structure is reasonable (budget justification). The burden of proof is on the applicant.

STAY IN THE KNOW!

Join the Grants Office community of grantseekers at www.grantsoffice.info to receive important grant updates for free.

Also, don't forget to follow Grants Office on Twitter, Facebook, and LinkedIn!



Forecasting Education Technology Funding



BY ALI PALMIERI, HELPDESK ADMINISTRATOR AND RESEARCH ASSOCIATE

In today's classroom, technology has become a huge component of the curriculum for teachers and students. School districts are racing to keep up with lightning speed of changing technologies while also dealing with decreasing budgets. Over the past several years education technology funding has decreased significantly. Programs like Enhancing Education Through Technology (EETT) have been dismantled and other technology programs have been scaled back. Unfortunately, these grants that focus on math, science, and technology provided support to programs that are absolutely essential to a student's education and will greatly impact their future success.

Current programs that focus on

education technology and are expected to continue for the upcoming years are 21st Century Community Learning Centers (CCLC), Investing in Innovation (i3), Innovative Technology Experience for Students and Teachers (ITEST) and Distance Learning and Telemedicine (DLT).

Due to the limited funding opportunities, applicants should vet projects as much as possible before applying and follow program guidelines perfectly. Most of these programs are looking for the most innovative projects that will affect the greatest number of people and have the ability to continue after funding periods end. Outlined below are the main programs and their respective funding outlooks.

21st Century Community Learning Centers

This program supports the creation of community learning centers that provide academic enrichment opportunities during non-school hours for children, particularly students who attend high-poverty and low-performing schools. 21st CCLC has state allocations which then can be distributed to competitive competitions. State program deadlines are rolling out daily so be on the lookout for this versatile program in your state. The FY12 allocation was \$1,151,673,000 which was down only slightly from FY2011 at \$1,153,854,000.

Investing in Innovation (i3)

These grants will (1) allow eligible entities to expand and develop innovative practices that can serve as models of best practices, (2) allow eligible entities to work in partnership with the private sector and the philanthropic community, and (3) identify and document best practices that can be shared and taken to scale based on demonstrated success. In FY2011 the total funds awarded was \$148,064,455. So far the Development portion of this grant program has been released. The estimated funds available in 2012 are \$140,452,000. The estimated *(continued on page 6)*



(continued from page 5) average size of awards for Scale-up grants- \$24,000,000. Validation grants- \$14,500,000 and Development Grants- \$3,000,000. The Development grants pre-application is due April 9, 2012. Solicitations for Scale-Up and Validation grants have not yet been released for FY12.

Innovative Technology Experience for Students and Teachers (ITEST)

The ITEST program is funded by H-1B visa revenues in direct response to the need to ensure a high-quality future STEM and ICT workforce that can meet U.S. technology needs. NSF is currently revising the solicitation and it is anticipated that a new solicitation will be released in late summer 2012. Scale-up projects ranged from three to five years in duration, with award sizes at most \$2 million.

Distance Learning and Telemedicine (DLT)

The Distance Learning and Telemedicine (DLT) Program is specifically designed to meet the educational and health care needs of rural America through the use of advanced telecommunications technologies. The estimated FY11 funding available was \$14 million in 2012 this program is anticipated to have similar funding amounts.

Need help managing your grant load? UPstream™ Interactive Grants Intelligence has the solution.

UPstream™'s unique My Watchlist function will keep all of your grants handy and organized, whether you are writing an application, administering a grant, or simply keeping an eye on an interesting opportunity.

With UPstream™, you can access your grant files anywhere you have Internet access, and even keep an eye on your grant writing department's progress on individual projects. Contact us at (585) 473-1430 or email info@grantsoffice.com today for more information on how we can help you succeed!

The screenshot shows the 'MY WATCHLIST' interface. At the top, it says 'Use your watchlist to keep track of grants through any part of the process'. Below this, there are buttons for 'Add to Research Report', 'Update My Watchlist', and 'Remove Selected'. A table lists grants with columns for 'Grant Title', 'Deadline(s)', 'Status Date', and 'Progress'. The first entry is 'Investing in Innovation (i3) - Development Grants' with deadlines of 4/9/2012 12:00:00 AM and 3/15/2012 12:00:00 AM, and a status date of 3/19/2012. A progress bar is shown next to it. Social media icons for Facebook, Twitter, and LinkedIn are at the bottom right. Four blue callout arrows point to specific features: 'MAKE NOTES' points to the search icon, 'CREATE REPORTS' points to the top right button, 'TRACK DUE DATES' points to the table, and 'MONITOR PROGRESS' points to the progress bar.

BUILDING LEVERAGE THROUGH MATCHING FUNDS

BY SUSANNAH MAYHALL, GRANTS DEVELOPMENT AND ADMINISTRATION COORDINATOR

Cost-sharing can be tricky waters for applicants to maneuver. Cost-share or match components vary greatly between different funding programs. While some grants require a certain percentage of the total project cost in the form of a local cash match, others may allow in-kind matching, and still others may not require a match at all. In these lean financial times, you may lurch at the idea of coming up with funds to match the grant; after all, you are seeking grant funding because you can't fund the project on your own, right? However, there are several important points to consider with regard to matching, and you might want to hold off on tossing that grant aside before taking in these considerations.

Why do funders require matches in the first place? The answer is two-fold. First, by requiring grantees to commit additional funds to the project, grant funds will be stretched as far as possible. Remember, federal and state budgets are being slashed as well as local budgets, and by combining forces with local funds,

that \$300,000 federal grant could accomplish twice as much when coupled with a 50% local match. A second reason matches are required is that, from the viewpoint of the funder, if a local entity puts some of its own into the project, that local project will be much more likely to successfully reach completion. While many people have no limit to the number of pipe dreams they say they would accomplish with someone else's money, when your own money is on the line, the pressure is on to use funds wisely and demonstrate to your community that their money has gone to good use. Using this rationale, federal funders may require a match as a sort of project insurance to ensure that the project won't be completed half-heartedly or abandoned altogether.

Taking this rationale into consideration, you can use a cash match offering to your advantage. If the grant program and your budget allows, it's usually in your best interest to offer a higher match than the minimum required. When faced with two equally meritorious projects, a

funder may very well choose the applicant who proposes a 30% match over one with a 15% match. Committing extra financial support to your project could be the leverage you need to tip the scales in your favor. As federal grant programs become increasingly competitive, a few extra points garnished from a higher match, or a favorable review based on your commitment to your own project might make the difference between "funded" and "denied."

From a local perspective, collecting a cash match could also help provide you with stronger local support for your project. Local officials and community members will be much more engaged in and concerned for the success of a project if their own budgets are on the line. By involving a piece of your local budget in your project, you might also be acquiring a support network for yourself as you implement the project and work towards its successful completion.

If coming up with a cash match is not desirable or simply not possible, many applicants might try to present *(continued on page 8)*





(continued from page 7) an in-kind match of personnel time, resources, or other commitments in place of matching funds, where allowed by the grant program. However, while contributing an in-kind match might seem more doable than coming up with cash, be sure to carefully consider in-kind match claims. Because personnel or equipment committed to the grant project are frequently utilized for other purposes, you will have to provide a solid demonstration to the funder that an appropriate percentage of your proposed in-kind match will be dedicated to the grant project. The in-kind match must be directly tied to the project's success. Should you fail to adequately demonstrate

down to a percentage the funder considers more accurate or rejected altogether. You don't want to jeopardize your chance at receiving funding by presenting a vague description of the in-kind match's tie to the project or how it will be utilized.

The above being said, in-kind matches can effectively demonstrate local "skin in the game" and, whether presented as a required match or as a contribution to the project that's above and beyond the requirements, can be used to your advantage if properly accounted for.

Despite the benefits to presenting a solid cash or in-kind match to a project, many applicants may simply be unable to spare any

applicants may simply be unable to spare any amount of their budget to support the project. If you are in this boat, you might want to consider looking for alternate sources of matching funds outside of your organization's budget. Possible sources could be local foundations, corporate sponsorships, or fundraising events. As is the case with local official and taxpayer support for a project, building relationships with foundations or corporate sponsors can also serve to provide a support network for the project and could result in future funding for other projects and needs if the relationship is successfully sustained. As always, be sure to thoroughly review the program guidance and become familiar with the specific requirements of the grant.

You can see how providing a local match might not be as bad as it initially seems. From a funder's perspective, matching all comes down to putting your money where your mouth is. By carefully considering your options, gathering matching funds could be the tipping point for not only pulling down grant funding for your project, but for bolstering your local support and seeing your project through to a successful completion.



UPCOMING EVENTS

SCHEDULED WEBCASTS

April 2012 Webcasts

- **April 19, 2012:** And Justice for All: DOJ Grants for Your Public Safety Projects, *Sponsored by Cisco*

May 2012 Webcasts

- **May 1, 2012:** Funding Innovation & Patient Safety, *Sponsored by AT&T*

(Register at www.healthcaregrants.info)

- **May 17, 2012:** Grant Funding from the Health Resources and Services Administration (HRSA), *Sponsored by Cisco*

August 2012 Webcast

- **August 7, 2012:** Preparing for Funding in 2013, *Sponsored by AT&T*

(Register at www.healthcaregrants.info)

October 2012 Webcast

- **October 23, 2012:** Health Professional Training/Education Grants, *Sponsored by AT&T*

(Register at www.healthcaregrants.info)

LOOK FOR WEBCASTS ON THE FOLLOWING PROGRAMS TO BE SCHEDULED ONCE THE OFFICIAL GUIDANCE IS RELEASED:

- DOJ's COPS Secure Our Schools Program (COPS SOS)
- FEMA's Assistance to Firefighters Grants (AFG)
- HUD's Sustainable Communities Regional Planning Grant Program
- HUD's Community Challenge Planning Grant Program.

If you would like to be invited to any of these events, please sign up for updates on JusticeGrants.info for the COPS SOS event, FireGrants.Info for the AFG event, or CommunityDevelopmentGrants.Info for the HUD Program events.

Register for upcoming events or view previous webcasts at:

<http://grantsofficeevents.webex.com>.

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