

FACT SHEET

INTRODUCTION TO GRANT WRITING FOR FARMER ASSOCIATIONS

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To be successful, organizations must have sufficient resources to cover their expenses. If they do not have enough resources, these organizations will eventually close. Research has found that many people start community-based nonprofit organizations without developing a business plan (Carman & Nesbit, 2012), including a revenue model. There are many different sources from which nonprofits can receive income, including membership dues, sales of goods or services, rent of space or equipment, special events, grant funding, government contracts, and philanthropic donations.

One mistake many nonprofit leaders make is they try to get funding from every source. Different organizations are more likely to be successful with different types of funding sources (Foster, Kim, & Christiansen, 2009). For example, if an organization has a lot of members and operates a small business, they will naturally be more successful in generating income through membership dues or the sale of goods and services. However, if an organization has no members and no business but performs a service that is valued by the government or by private donors, they will be more successful in soliciting donations and grants.

The key is to look for the natural fit and to build the organization's strengths in that area, sometimes called natural revenue streams. If instead, an organization tries to be all things to all potential funders, the leaders will struggle to maintain focus and advance the mission.

Grant Writing

Grants are monetary awards given to individuals or organizations to accomplish a goal or objective. There are many entities that give grants. These entities include the government, private foundations, international foundations, and partnerships with U.S.-based agencies receiving grant funds from the U.S. government. Typically, the funding agency will put out a "call for proposals (CFP)," also known as "request for proposals (RFP)." An RFP will explain exactly what types of organizations they fund, who is eligible to apply, what types of programs and/or objectives they want to fund, how much they are willing to fund each organization, when funding decisions will be made when funding will occur, and what kind of reporting is necessary. It is important to study this document carefully to find out if the organization is eligible, if there is a fit between the mission of the organization and the funder, if the money being granted would actually cover the cost of the scope of work, if the funder's timeline is reasonable, and if the funder's reporting requirements are not overly burdensome. These are all very important questions to consider when developing a grant proposal.

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A grant proposal is a response to an RFP. It is one organization’s way of saying, “here is what we do—will you fund us?” When writing a grant proposal, it is best to keep the RFP close at hand so you can refer to it. The RFP explains exactly what the funder is looking for in a winning proposal.

One important question to consider before deciding to apply for funding is the question of a timeline and overall cash flow. Will the funds be paid once the grant is funded, at specific points throughout the project, or at the end of the project? This information can be used to create a cash flow analysis or an analysis of when you will have cash on hand and when you will need cash on hand to pay bills. This analysis will also answer the question of whether this funding source is right for the organization to pursue.

Another important question is whether or not the funder supports “general operating support” or just specific projects. A funder who funds general operating support will support the basic expenses of the organization, also known as “operating expenses.” These expenses include the salary of the leaders, rent or mortgage, electricity, and other similar, non-program expenses. A funder who just funds specific project will require that 100% of requested funds go to the operation of the project for which you are requesting money. If a proposal is accepted, they will only be able to use the funder’s gift for the purposes outlined in the grant proposal.

It is important that organizations only apply for grants that are in line with the organization’s mission; otherwise, the organization will struggle to maintain their core focus. It is called mission drift when an organization changes its activities to match a funder’s interests (Jones, 2007). Mission drift derails the organization’s progress and wastes everyone’s time and resources.

In general, grant proposals request information in the following core areas:

Core Area	Information Requested
Organizational Information	Organization name, address, phone number, tax identification number (if applicable). May ask for history of the organization or information about staff and governance.
Needs Statement	Explain the nature of the problem addressed in this proposal. Situate the reader in the context of your organization and community.
Proposal	Explain how your activities will address the needs outlined in the need statements. Typically includes specific goals, objectives, timeline, and anticipated impact. Likely also includes the number of people who will be helped, how you will measure effectiveness (i.e., evaluate), and other sources of funds for this initiative.
Connection to Funder’s Mission	Make explicit how your proposal lines up with the funder’s mission and goals.
Organizational Budget	Overall budget for the organization.
Project Budget	Specific budget for the project. The funder may or may not request that there be other funds besides the grant that contribute to the project.
Personnel	Biography of the organization’s and/or project’s leaders, possibly including resumes.

The needs statement and the proposal are typically the longest portions. They often require several pages of well-written text.

The connection to the funder's mission can sometimes be a separate section; however, it is important to make sure there is an obvious connection between the funder's mission and the activities described in your proposal. In short, make it easy for the reader to see the connection.

Some funders will require additional information, which may include the organization's current operating budget, letters of support from collaborating agencies, verification of status as a government-approved organization, list of board members, list of organizational staff (with titles) or more detailed financial statements. The RFP will contain a complete list of what they do (and do not) want included.

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