# 2021 Grant Guidelines and
# Frequently Asked Questions

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**What is the Responsive Grant Program and its focus in 2021?**
The Responsive Grant Program at the CFNRV is an annual grant program intended to respond to ongoing or emergent community needs as recognized by the area non-profits serving those needs directly.  Last year amidst the COVID-19 pandemic, the CFNRV awarded operating support only rather than programmatic support. We are doing that again in 2021 as our communities recover from the pandemic. **The 2021 Responsive Grant Program will only offer general operating support grants of up to $4,000 to be used at the grantee's discretion**.

**What are the Requirements for the Operating Support Grant?**
General operating support is defined as a grant made to further the general mission and work of an organization, rather than for a specific program, project, or purpose. It gives nonprofits flexibility to direct their spending where it is needed most and allows greater focus on achieving an organization's mission. Nonprofits demonstrating strong management with a clear track-record of accomplishments and process for measuring effectiveness will be given priority. Organizations serving the New River Valley with 501c3 status or units of local government such as a library or school may apply for an operating support grant.

**Who is Eligible for CFNRV Grants?**
Registered 501c3 organizations serving the counties of Floyd, Giles, Montgomery, Pulaski, and Wythe, and the City of Radford are eligible for CFNRV grants, along with units of local government such as a library or school. Please note that organizations physically located outside these areas may apply provided they can <u>clearly articulate</u> how their programs serve residents of these communities.

**If my organization is not categorized as a 501c3, am I still eligible to apply for a grant?**
We are only able to fund 501c3 organizations or units of local government. If you do not fall into one of these categories, your organization is still eligible to apply provided you do so using a **fiscal agent**. A fiscal agent is another organization, categorized as a 501c3 organization or a unit of local government, which is willing to receive and manage the funding on your behalf.  If you choose to use a fiscal agent, your application will need to include the following from your **fiscal agent**:

- Acknowledgment <u>in writing</u> (a signed letter or memorandum of understanding) that the fiscal agent is willing to accept and manage funds on your organization's behalf. You should upload this document in the additional materials section of the application.

- A copy of the fiscal agent's federal IRS Determination Letter indicating 501c3 tax-exempt status.

The documents that we will need from **your organization** (that is, the organization carrying out the work and not the fiscal agent) include the following:

- A complete application (your organization should be listed as the applicant)
- An operating budget
- Current list of board members with professional affiliations
- Your most recent financial statement such as a Profit & Loss Statement or Budget v. Actual Report.

Should your application be funded, the Community Foundation will issue the check <u>to your fiscal agent</u> and it is up to you to work with your fiscal agent to access that funding.

### How does CFNRV define "area of interest" for grants?

As a way of classifying and organizing our grant applications, the CFNRV asks you to select a primary area of interest. Those areas of interest are defined in our area of interest help document at www.cfnrv.org/grants. Please read through the definitions and examples carefully to help determine how your application should be classified.

### What is the difference between "primary" and "secondary" area of interest?

The organizations that the CFNRV works with provide myriad benefits to the New River Valley, and it can be difficult to narrowly define the benefits an organization provides. To make things easier, we have split our area of interest into primary and secondary categories. **Primary area of interest** is the main mission of your organization or the program for which you are applying for a grant. As a rule, your primary area of interest should be defined by a distinct, measurable, sought-after goal of the services your organization or program provides. Use that goal with our area of interest definitions to decide how to classify your grant request. **Secondary area of interest** is another distinct, measureable, sought-after goal of your organization, program, or project. Some things to keep in mind with secondary area of interest:

- You may enter up to two (2) secondary areas of interest
- Secondary area of interest is **not** required. Entering a secondary area of interest simply helps us better categorize your grant application and neither helps nor hinders your chance of being awarded a grant.
- Often programs that seek to provide one benefit will end up providing other benefits to their clientele, but unless your organization or program takes specific steps to pursue that side benefit, it should not be counted as a secondary area of interest. A child who receives food assistance will likely have better health, do better in school, and be a better part of their community, but if the program providing this food assistance does not actively pursue delivering those other benefits, the primary area of interest would be "poverty" and no secondary area of interest would be selected.

### Do I have to select a secondary area of interest?

No, the only required field for your grant application is primary area of interest. Adding a secondary area of interest helps us categorize your application but in no way helps or hinders your chances of receiving funding.

### How do I define geographic service area?

Your geographic service area is based upon where your **clients** come from. The CFNRV currently divides the New River Valley into seven (7) different geographic service areas: Floyd County, Giles County, Montgomery County, Pulaski County, Wythe County, the City of Radford, and "All NRV." Geographic service area is **not** where your offices are located, the people to whom your services are available, or even necessarily where your event will be held. For instance, a summer camp held in Floyd County may be open to all counties in the region, may have its administrative offices in the City of Radford, but might get the vast majority of its campers from Montgomery County. For such a camp, the appropriate geographic service area would be Montgomery County.

### What's the difference between "primary" geographic service area and "secondary" geographic service area?

**Primary geographic service area** is the area from which a clear majority of your clientele comes. **Secondary geographic service area** is any other area from which a significant portion, but not the majority, of your clientele comes. You may select up to two (2) secondary geographic service areas.

### Selecting "ALL NRV" as your Geographic Service Area

There are two possible reasons to select "All NRV" as your primary service area:

- It is truly impossible to define a single majority area from which your clientele comes. Your organization or program has about the same number of clients from areas throughout the New River Valley.
- You serve significant percentages of clientele from at least four (4) of the defined geographic areas of service.

If you select "All NRV" as your primary geographic area, **do not** select any secondary geographic service areas.

### How does CFNRV define "significant" percentages of our clientele?

In short, we don't. You can define for yourself what constitutes a significant portion of your clientele for the purposes of identifying your geographic area of interest, but here are a few guidelines:

- Your **primary geographic area of interest** should be either the place from which over 50% of your clientele comes **or** if no group represents over 50% of your clientele, the place from which the largest group comes.

- If you're not sure, you can always contact us at the foundation, but remember that this is only to help categorize your grant and making a mistake here won't disqualify you from the process. As a general rule, **err toward the side of fewer geographic service areas rather than more.** If you are unsure if you really would call the proportion of your clients from, say, Pulaski County, a significant enough portion to count as a secondary area of interest, leave it off.

### Do I have to select a secondary geographic service area?

No. Secondary geographic service areas are optional and should only be selected if a significant portion of your clientele comes from a single defined geographic area. For example, a program in the City of Radford teaching parenting skills to new parents may have the vast majority of its clients from the City of Radford, about 20% from Montgomery County, and occasional clients from Giles County. In that case, it would be appropriate to identify "City of Radford" as the primary geographic service area, and "Montgomery County" as the secondary geographic service area. Occasional clients from Giles would not constitute an entire secondary geographic service area.

### What does the CFNRV mean by 'measurable impact' for my organization?

You should be able to identify the overall goal/s of your organization and your programs, whether it be feeding hungry neighbors or expanding access to arts education. You should <u>also</u> be able to demonstrate clearly that you've met that goal. That is, you should be able to point to something that's different in the community or with your clientele that you can attribute to your organization, and that difference should be measured in some way. That's measurable impact.

For example, if your goal is to provide at least 50% of kids in a given elementary school with weekend meals, then you'll know when you've reached that goal by comparing the number of kids you serve with the population of the elementary school. If your goal is to encourage a love for the arts among an elderly population, then you may identify as a measurable impact that 90% of the clients in your program report on a survey that their love for the arts has grown since starting the program. We understand that impact is not always easy to measure, but you should be able to articulate your intended impact and how you will know if you have succeeded.

### What file types are accepted for uploading materials?

There are several required and optional documents that you will be prompted to upload into the application system. The document and acceptable file types are below:

- Operating Budget: .pdf, .doc, .docx files only.
- Financial Statement (profit/loss or budget v. actual): .pdf, .doc, .docx files only.
- 501c3 IRS determination letter: .pdf only
- Letters of Support or Other Materials: .pdf, .doc. or .docx only.
- Pictures: .jpeg or .png only.

Please note that we will <u>not</u> accept spreadsheets such as .xls files. We will also not accept files types for Apple products such as Pages or Numbers. Our reviewers will not be able to open these files and your application will be removed from consideration.

## What is an operating budget?

The Operating Budget is the financial statement that is submitted annually for approval by the nonprofit organization's Board of Directors. It is a projection of Income and Expenses for the <u>organization's</u> fiscal year. Please submit your organization's most up to date operating budget.

Here is a sample of an operating budget:

**FY19-20 Operating Budget**

| INCOME | | FY 19-20 | Budget |
|---|---|---|---|
| **Program Fees** | | $ | 23,000.00 |
| Program A | | $ | 15,000.00 |
| Program B | | $ | 8,000.00 |
| **Fundraising/Contributions** | | $ | 60,000.00 |
| Corporate Support/ Event Sponsorship | | $ | 25,000.00 |
| GiveLocalNRV Contributions | | $ | 5,000.00 |
| XYZ Annual Gala | | $ | 25,000.00 |
| Other Contributions | | $ | 5,000.00 |
| **Grant Income** | | $ | 28,000.00 |
| XYZ Program Grant | | $ | 12,000.00 |
| Other Grant Income | | $ | 16,000.00 |
| **TOTAL REVENUE** | | $ | 111,000.00 |

| EXPENDITURES | | FY 19-20 Budget |
|---|---|---|
| **Salary & Benefits** | $ | 55,800.00 |
| Salary | $ | 40,000.00 |
| Benefits | $ | 12,000.00 |
| Taxes/FICA, etc... | $ | 3,800.00 |
| **Operational Expenses** | $ | 55,200.00 |
| Rent | $ | 16,000.00 |
| Accounting Services | $ | 6,000.00 |
| Dues and registration | $ | 1,500.00 |
| XYZ Annual Gala | $ | 9,000.00 |
| Consulting Fees | $ | 7,500.00 |
| Marketing, including design, printing | $ | 8,500.00 |
| Mileage and travel | $ | 3,000.00 |
| Office Supplies/mailing | $ | 1,550.00 |
| Public Relations/Community Events | $ | 1,000.00 |
| State, Federal, other fees | $ | 350.00 |
| Website related expenses | $ | 800.00 |
| **TOTAL EXPENDITURES** | $ | 111,000.00 |

## What other kind of financial information is required?

We are requiring a **Profit and Loss Statement** or a **Budget vs. Actual Report**. We are <u>NOT</u> asking for a copy of your audited financial statements. We are looking to better understand your <u>current</u> financial position.

- If your organization's fiscal year is January-December, upload your most recent 2021 financial statement
- If your organization's fiscal year is July-June, please upload the most recent financial statement you have for FY20-21. That is, we do not want to see financials for just July 2021 as the first

month of your new fiscal year. We'd like to see a report from the previous fiscal year to give us more information on your financial position.

A **profit and loss statement** is one of the financial statements of a nonprofit or company that shows the nonprofit's revenues and expenses during a particular period, often comparing that to the same time period from the previous year.

- **Income (aka Revenues)** should document all the sources of income for the organization. Revenues should indicate funds that have been secured as well as those that are pending. For example, list all organizations to which you have applied for a grant (including the CFNRV) and note whether that funding has been requested, pending or received/secured.
- **Expenses** should include the costs of materials, food items, or other tangible goods as well as indirect costs such as staff, office space or venue, equipment, etc.

Finally, you may wish to include a **short narrative,** with your statement that allows you to provide a brief explanation of the figures provided in your report. For example, your operating budget may project $25,000 in income from your spring gala, but the gala had to be postponed until the fall and that income has not been realized. You may wish to include that explanation in your narrative.

Here is a Sample Profit and Loss statement:

Non Profit Organization Sample

Income, expenses and balance of cumulative funds

for the year ended December 31,

|  | 2010 | 2009 |
|---|---|---|
| **Income** | | |
| Members contributions | 858,325 | 838,728 |
| Special contributions | 170,977 | 167,597 |
| Financial aid | 187,621 | 392,367 |
| Joint committee | 5,900 | 6,100 |
| AGA partnership | 25,757 | 20,942 |
| Others | 11,065 | 35,210 |
| | 1,259,645 | 1,460,944 |
| **Expenses** | | |
| PAU contribution | 127,131 | 119,019 |
| General administration | 261,028 | 359,907 |
| Union administration | 82,000 | 80,981 |
| Technical services | 589,155 | 571,518 |
| Others expenses | 46,950 | 76,701 |
| Promotion | 4,838 | 8,472 |
| Projects | 229,071 | 383,674 |
| | 1,340,173 | 1,600,272 |
| **Net loss** | (80,528) | (139,328) |
| Net assets - beginning | 190,347 | 329,675 |
| Net assets - ending | 109,819 | 190,347 |

You may also submit a **budget vs actual report,** which shows how your organization is aligning with your operating budget.   For each line, you can compare your budgeted amounts against your actual income and expenses for the year. As with the profit and loss statement, you may also choose to include a **short narrative** to provide context and explain why actual income and expenses may not be aligning with your budget as you anticipated.

Below is a sample of a Budget vs. Actual Report:



**What documentation is needed to verify my non-profit or local government status?**
Applicants that are non-profit or religious applicants must attach a copy of their original **IRS Letter of Determination (LOD)** indicating their status as a 501c3 not-for-profit. This letter would include the applicants EIN (employer identification number). Sales and Use Tax Certificates of Exemption cannot be used to verify your organization's 501c3 status.

Units of local government should include a letter on government letterhead with its EIN (employer identification number) or a government information letter that describes government entity exemption from federal income tax and cites applicable Internal Revenue Code sections pertaining

to deductible contributions and income exclusion. Please see our website for examples of what an IRS determination letter looks like.

### What if I am unsure of my 501c3 status or if I have misplaced my 501c3 IRS determination letter?

If your nonprofit has misplaced your IRS 501c3 determination letter, you can get another copy. Call the IRS Customer Service for nonprofit organizations at 1-877-829-5500 and give them your nonprofit's name. It will also help if you have your nonprofit's Employer Identification Number (EIN). We suggest calling first thing in the morning, before the wait gets too long. Please plan ahead because it can take a while to receive another copy of your letter.

If you are unsure whether your organization has 501c3 or if your status is still active, there are two ways to find out. Go to http://apps.irs.gov/app/eos/ and type in your corporate name and location. If you don't find your nonprofit's name on the list, it does not necessarily mean that it does not have its 501c3. Call the IRS Customer Service for nonprofit organizations at 1-877-829-5500 and give them your corporate name (and EIN if you have it).

### What other documentation will I need to upload to complete my application?

In addition to the operating budget, financial statements, and IRS 501c3 determination letter or local government documentation described above you will need to upload a list of your current Board of Directors with their professional affiliations.

### Should my application include letters of support or other materials related to my organization?

**Letters of support or additional documentation is not required.** However, if you would like to include a letter of support, you may upload it in the additional materials section of the application where indicated. If you have other materials that you feel are absolutely essential to understanding your organization, you may upload those. However, these are not required and we discourage you from including items like newspaper articles or brochures.

**You will be required to upload a picture with your application**. The CFNRV will use these photos in its online and print communications and for general marketing. Accepted file formats include: .jpg and .png files and they should be no smaller than 1MB in size. All photos depicting minors (children under 18) must have a signed release form from the parent(s) allowing your organization to use that image in promotional materials. The CFNRV is not responsible for securing permissions and reserves the right to request a copy of the release form associated with the photo at any time.

**When is the application deadline?**

The application deadline is **Friday, July 23, 2021 at 5pm**. The application system will close promptly at 5pm. Be sure to click submit at the bottom of your application and check your email for a confirmation of your submission. We will <u>not</u> consider applications that are still in draft status.

**What if I still need help?**

No problem! We're here to help. For questions about Responsive Grant Program, contact us by phone at 540.381.8999, or e-mail us at <u>cfnrv@cfnrv.org</u> to get more help.

We strongly encourage you to contact us with questions <u>well before</u> the application deadline so we have time to answer your questions and check your application in our system. It is unlikely that we will be able to assist you if you are calling with questions in the few hours before the application is due.