



Strategies for Creating Funding Sustainability

March 26, 2015



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Today's Speaker



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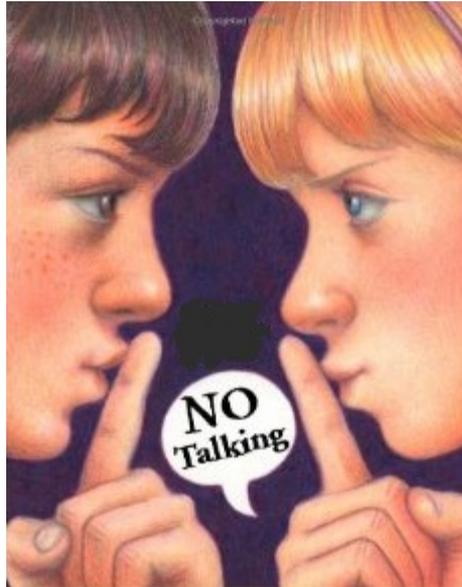
- 8 Years with Resource Associates
- Bachelor of Science Degree in Journalism from California Polytechnic State University San Luis Obispo
- Reviews over 200 applications a year
- Federal Reviewer
- Contributor to some of the highest scoring federal proposals in the country
- Background in technical writing and journalism

Creating Sustainability

- What is Sustainability?
- Designing a Sustainability Plan
- Scope of Project
- Need After the Funding Period
- Funding Sources
- Third Party Agreements
- Future Grant Funding
- Cash and In-kind Matching

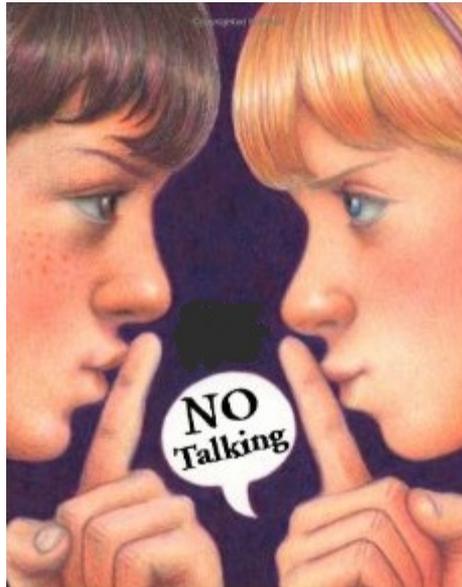
What is Sustainability?

- It's something that no one wants to talk about!



What is Sustainability?

- No one really knows what it means or what it is!



What is Sustainability?

Sustainability [suh-stey-nuh-bil-i-tee]

noun

1. the ability to be sustained, supported, upheld, or confirmed.

What is Sustainability?

Basically.... Sustainability asks the question:

“How are you going to keep doing what you are promising to do.....”



What is Sustainability?

“How are you going to keep doing what you are promising to do.....

without the funder’s help?



What is Sustainability?

In Grant Terms:

1. Sustainability is your ability to continue the grant funded project without the original funder's money.



What is Sustainability?

Sometimes:

- The money is replaced by a new funder
- It is integrated into a general operating budget
- The budget is shrunk down to a point that additional funding is not needed

Sustainability Planning

- The first step to understanding your route of sustainability is knowing your funder's long term goals.
 - Are they funding a long-term solution?
(example: Reading Proficiency)
 - Are they funding a short-term project?
(example: Irrigation Ditch Repair)

Sustainability Planning

Your answer to these questions will guide your sustainability plan!



Sustainability Planning

- Sustainability Planning is best done prior to the grant writing process in the program planning phase.
- However, most often it is done in the grant writing phase because people do not take the proper steps to think out the process.

Scope of Project

- As described before, depending on the type of project/program you are proposing to the funder you will take different approaches with your Sustainability Plan.



Scope of Project

If you are working on a long term initiative like increasing reading or math proficiency or decreasing homelessness then your Sustainability Plan is going to be more complex!

Scope of Project

This is because:

1. After the funding period is over you will more than likely need to continue providing services to a “new” population.
2. More of your budget will be focused towards providing services (personnel) than assets and one-time costs (equipment).

Scope of Project

Your sustainability plan for a short-term initiative is going to be less complex because:

1. Your budget is less personnel heavy and more equipment heavy.
2. Once the funding is over, you will more than likely just be focused on maintenance of the project rather than providing services.

Scope of Project

Let's talk about what Sustainability Planning is NOT!

- Telling a Funder that you are going to ask another Funder for money!

NO.



Scope of Project

They have no incentive to give you money if you are just going to give the next foundation with a checkbook the credit for the success of your project!



Scope of Project

Steps:

1. Take a look at your project and decide if you fall under the long term or short term initiative category.

Scope of Project

Steps:

1. Take a look at your project and decide if you fall under the long term or short term initiative category.
2. Decide how you want to continue implementing your project? Maintenance or continued services.

Scope of Project

Steps:

3. Decide which costs are necessary and which costs are not?

For example: If you buy equipment (computers, curriculum, shovels, tractors) in year one, you will more than likely not need to purchase more in years 2 and beyond.

Scope of Project

Steps:

4. Determine which lines can be eliminated or reduced.
5. Calculate your new total yearly budget needs.

Scope of Project

Steps:

4. Determine which lines can be eliminated or reduced.
5. Calculate your new total yearly budget needs.
6. Now you know how much funding you need!

Need After Funding Period

This is where the actual Plan begins:

Start with the FACTS

1. You know what the funder's goals are (short-term vs. long-term).
2. You know what your project is proposing (short-term or long-term).

(note #1 and #2 should be the same)

Need After Funding Period

3. You know how much funding you are going to need.
4. But you don't know where you are going to get it.

Need After Funding Period

If the funder is asking for a Sustainability Plan it is safe to say that they want you to continue the project, even if it doesn't say it in the grant guidelines.

Need After Funding Period

There are three paths that can be taken:

1. You integrate all of the costs from the original budget into your general operating budget.



Need After Funding Period

There are three paths that can be taken:

2. You integrate only a portion of the costs after reduction of budget into your general operating budget.



Need After Funding Period

3. You integrate a portion of your original budget into your general operating budget and seek funding for the additional amount, but explain to the funder that if funding is not available you will still be able to operate the project.

Need After Funding Period

4. There are a couple of other paths you could take, but they are weak and will not score high. (Fundraising, seeking funding for 100% of budget, etc.)

Funding Sources

- Same Funder
- New Funder
- Multiple Funders
- General Operating Budget
- Fundraising
- Third Party Agreements



Third Party Agreements

- It is not uncommon for a grant program to involve multiple organizations.
- These organizations are usually bound by a memorandum of understanding.



Third Party Agreements

- The memorandum of understanding binds them to what they are contributing to this project. This sometimes includes:
 - Personnel
 - Equipment
 - Contractual Services
 - **Cash Match**

Third Party Agreements

If you have a third party agreement from an organization that is providing a cash match, you can always include a letter of commitment as an attachment saying that the third party organization will help “sustain” your project with their cash match after the funding period is over.

Future Grant Funding

- You can never count on receiving the same grant twice.
 - Once your funding period is up and you are competing for a “new” grant period. You are competing with all of the other organizations that may or may not have received an award in the past.

Future Grant Funding

- Just the same, you can't ever count on getting a grant for a previously funded project from another funder just because you are an experienced applicant with another funder.



Future Grant Funding

- Asking for funding from multiple funders, is RISKY.
- Often they do not like this approach because if just one funder drops out it hurts the viability of the entire project.

Future Grant Funding

- Integrating the project into your general operating budget is the soundest approach.
- Remember you can integrate the full budget or a reduced budget.



Cash and In-Kind Matching

- When grants require cash or in-kind matching, this actually helps with sustainability.
- Often if you have enough of a match you may be able to sustain the project just off of your match budget.

Sustainability Overview

- Plan early
- Think of your project scope
- Reduce your project budget
- Consider one time versus continual expenses
- Consider integration into your operating budget.
- Articulate your plan fully to the funder



Need Help?

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