

Sherwood Trust Grant Guidelines

All Sherwood Trust grants are subject to the guidelines below and additional guidelines relevant to the type of grant.

To be eligible, all grant requests must:

- Build the capacity of organizations or communities in the Walla Walla Valley, defined as extending from Dayton, Washington to Milton-Freewater, Oregon.
- Benefit tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code; Sherwood Trust does not make grants to individuals.

In addition, Sherwood Trust prefers:

- When possible, Sherwood Trust prefers to participate with other donors to avoid funding a major portion of the amount to be raised.
- Sherwood Trust may encourage matching funds by the applicant. If so, matching funds means future cash contributions from others; it excludes pledges of future support and any form of debt financing, whether direct or indirect, as a source of matching funds.
- Sherwood Trust discourages frequent annual grant requests from any given nonprofit organization; there should be at least two intervening years between subsequent grant proposals.
- Sherwood Trust does not favor grant applications from nonprofit organizations with external debt that will survive the grant request.

Guidelines for Organization Grant Applications

In addition to reviewing grants for compliance with our general grant guidelines, Sherwood Trust will consider the following issues when evaluating Organization Grant Applications:

- Demonstration that the grant would be a strategic investment that would strengthen the nonprofit organization and enable it to become more effective at its mission
- Demonstration that the grant would be being meaningful and make a difference in enhancing the effectiveness of the nonprofit organization in an enduring manner
- Governance and the commitment of the organization's staff and board of directors
- Financial stability, related fiscal policies, and management capacity, including transparent financial reports
- Ability to successfully raise the total funds required and accomplish the stated purpose of the grant request

To be eligible, Organization Grant requests should meet the guidelines for either an **Organization Capital Project Grant** or an **Organization Program Grant**.

Organization Grants – Capital Project

- Sherwood Trust will consider grant requests for capital projects that may include site acquisition, building improvements, and equipment. These grants may be designed for early or late phases of the project development.
- Sustainability in the form of a **Replacement Reserve Policy and Model** that addresses the initial and ongoing funding of such a reserve.
- **Participation with other donors** to a reasonable extent to avoid Sherwood Trust assuming an undue portion of the amount to be raised
- **Matching** is preferred if it is useful leverage for the applicant to raise additional funds and reasonably structured for the project to succeed.
- Mechanism to assure future **daily maintenance** of the project, if applicable.

- Typically, Sherwood Trust will require review and approval of the following aspects of the proposed construction:
 - a. General Contractor
 - b. Construction budget based on bids
 - c. Project Manager
 - d. Plans and specifications
 - e. Construction timeline
 - f. Disbursement procedures

- Final funding of an approved Community Capital Project Grant involving new construction requires written approval by Sherwood Trust of the following:
 - a. All construction items mentioned above
 - b. Construction budget based on accepted bids
 - c. General contractor agreement
 - d. Project manager agreement
 - e. Confirmation of adequate equity or construction funds being available

There should be at least two intervening years between grant proposals from an applicant.

Organization Grants – Program

- Sherwood Trust will consider grant requests for capacity-building purposes that will strengthen an organization in key areas concerning board governance, organizational assessment, strategic planning, business plans, technology, staffing, etc.

- Sherwood Trust will consider grant requests for permanent endowment in support of operations. These grants typically are matching and reserved for the more effective nonprofit organizations. Sherwood Trust does not accept grant requests for endowment from church-related organizations.

- Grant proposals seeking funds for the following purposes are not favored:
 - General fund solicitations.
 - Scholarships, fellowships, honorariums, or benefits to an individual.

- Operating expenses, including overhead, indirect costs, and servicing debt, however labeled.
- Conferences, seminars, travel, publishing books, producing films or videos, festivals, or acquisition of exhibits.
- Projects of sectarian or religious organizations, the principal beneficiaries of which are their own members or constituents.
- Proposals from tax-supported institutions.

Guidelines for Community Grant Applications

In addition to reviewing grants for compliance with our general grant guidelines, Sherwood Trust will consider the following issues when evaluating Community Grant Applications:

- Potential impact and sustainability of the applicant's project on the community it serves and the number of people who will benefit
- Governance and the commitment of the organization's staff and board of directors
- Local volunteer involvement and support
- Financial stability, related fiscal policies, and management capacity, including transparent financial reports
- Ability to successfully raise the total funds required and accomplish the stated purpose of the grant request
- Degree to which applicant works with or complements the services of other community organizations

To be eligible, Community Grant requests should meet the guidelines for either a **Community Capital Project Grant** or a **Community Program Grant**. (Community Process Grants are by invitation only.)

Community Grants – Capital Project

- Community Capital Project Grants must **feature a distinctive significance** in one of the following areas:
 - a. A widespread or high percentage of community use.
 - b. A youth orientation that contributes to the development of leadership and character values.
 - c. An historic importance as well as a future that continues to benefit the community.
 - d. A positive contribution to the economic development of the area.
 - e. A meaningful contribution to enhance the quality of the environment.
- **Participation with other donors** to a reasonable extent to avoid Sherwood Trust assuming an undue portion of the amount to be raised
- **Matching** is preferred if it is useful leverage for the applicant to raise additional funds and reasonably structured for the project to succeed.

- Sustainability in the form of a **Replacement Reserve Policy and Model** that addresses the initial and ongoing funding of such a reserve.
- Mechanism to assure future **daily maintenance** of the project, if applicable.
- Preference to fund **final grant dollars** rather than early dollars in a campaign to avoid the risks of failure and escalating construction costs. This risk may be addressed by the phasing of construction and campaign dollars; however, the ultimate success of the project should be the key consideration.
- Typically, Sherwood Trust will require review and approval of the following aspects of the proposed construction:
 - a. General Contractor
 - b. Construction budget based on bids
 - c. Project Manager
 - d. Plans and specifications
 - e. Construction timeline
 - f. Disbursement procedures
- Final funding of an approved Community Capital Project Grant involving new construction requires written approval by Sherwood Trust of the following:
 - a. All construction items mentioned above
 - b. Construction budget based on accepted bids
 - c. General contractor agreement
 - d. Project manager agreement
 - e. Confirmation of adequate equity or construction funds being available
- There should be at least two intervening years between grant proposals from an applicant. There should be at least five intervening years between grant proposals from a tax-supported institution.

Community Grants – Programs

- Organizations requesting a Community Grant for programs should be **established with competent management** and a **proven history** in managing

similar programs. A start-up program by a start-up organization is unlikely to qualify for support.

- Grants may provide seed money to help support a new or expanded program for up to 36 months, after which the program should be **self-funding** by itself or a sponsoring organization.
- Participation by **other donors** in the initial support of the program is preferred.
- Grant requests must address **critical and unmet needs** and avoid redundancy. Their goal should not be simply to sustain people, but to help them sustain themselves.
- The proposed program should target a **discrete, tangible problem** and set achievable, **measurable goals** that lead to solutions rather than try to solve, broad intractable social problems. The sponsoring organization must be willing to measure its intentions against specific results.
- There must be a **high likelihood of success** for the proposed program to be ongoing and self-funding by a sponsoring agency without speculative government grants. Interest by the most likely candidate(s) to sponsor and ultimately sustain the program over time should be confirmed.
- Requesting organization should clearly demonstrate, if applicable, why the recommended program should be sponsored by a start-up, stand-alone organization rather than an existing organization whose mission is aligned with the proposed program.

HOW TO APPLY FOR A SHERWOOD TRUST ORGANIZATION OR COMMUNITY GRANT

Deadline: Grant applications **must be received before March 1**. Grants awards are typically decided by June of the same year.

Guidelines: Please review the guidelines carefully before completing your application materials. Note that the guidelines differ for each type of grant, and you should reflect your compliance with the guidelines in your application materials.

1. Organization Grant – Capital Project
2. Organization Grant – Program
3. Community Grant – Capital Project
4. Community Grant – Program

Application Documents: Applications should be emailed to Danielle@sherwoodtrust.org. Your application should include:

1. **Cover Letter.** Provide a brief letter that includes:
 - The organization's name.
 - The address, email, and phone number where a contact person may be reached.
 - Briefly state the purpose of the request, the amount of money being requested, and when it will be needed.
 - The letter should be signed by the board chair and executive director of the applying organization.
2. **Grant Proposal.** The proposal should address the following:
 - **Organization's background.** Its mission, primary programs, people served, and date organized.
 - **Proposed request.** Describe the project in terms of its goals, people it will serve, and service area involved. If funding is requested for an ongoing project, briefly describe the results of the project to date. If funding is requested for a capital project, include information on plans, specifications, general contractors, and project manager or architect.

- **Concept.** Explain how the grant will be meaningful and make a difference in enhancing the effectiveness of the organization or the quality of life of the community or neighborhood in an enduring manner.
- **Funding the Project.** Explain specifically how a Sherwood Trust grant will be used. Describe contributions from other likely funding sources. Indicate the financial support from the organization's board of directors in terms of total dollars and percentage participation.
- **Timetable.** Show the time schedule to achieve the project's goals.
- **Budget.** Include a comprehensive budget detailing the project's expenses.

3. Governing Organization.

- Attach a list of names and affiliations of the applicant's board of directors and members of all standing committees.
- Include copies, if applicable, of your building reserve policy and model, plus endowment spending and investment policies.
- Include a history of the endowment fund's investment performance, investment management costs, and funding building replacement reserves.

4. Financial Statements. Provide balance sheet and income statement for the year-to-date current year and prior three years of operation. **We recommend that your financial statements comply with Sherwood Trust's *Financial Statement Guidelines*; any request over \$25,000 must be submitted in this format.**

5. Tax-Exempt Status. Attach a copy of applicant's current I.R.S. determination letter concerning its status as a 501(c)(3).

If you have questions about the grant guidelines or application process, you may contact Sherwood Trust CEO Danielle Garbe

at Danielle@sherwoodtrust.org or 509-529-2791.

Thank you for your interest and your commitment to building the capacity of nonprofit organizations and the communities of the Walla Walla Valley!