

Sherwood Trust Grant Guidelines

Sherwood Trust makes investments in Organization Grants that strengthen nonprofits or Community Grants that meet unmet needs in a neighborhood or community.

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.
- Sherwood Trust does not favor grant applications from nonprofit organizations with significant financial losses in recent years.
- Sherwood Trust prefers to fund organizations 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.

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. Pro Forma budget for the year before the project is completed, the year it is completed, and at least two years after completion
 - b. General Contractor
 - c. Construction budget based on bids
 - d. Project Manager

- e. Plans and specifications
 - f. Construction timeline
 - g. 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

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, Community Program Grant, a Neighborhood Capital Project Grant, or a Neighborhood 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. Pro Forma budget for the year before the project is completed, the year it is completed, and at least two years after completion
 - b. General Contractor
 - c. Construction budget based on bids
 - d. Project Manager
 - e. Plans and specifications
 - f. Construction timeline
 - g. 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.

NEIGHBORHOOD GRANTS

This grant type encourages and **supports neighborhood residents to take ownership of their neighborhoods** through self-help projects. These grants are designed to build a strong sense of community – particularly within lower-income residential neighborhoods. It provides **matching funds** for projects in lower-income residential neighborhoods in the Walla Walla area **to address unmet and critical needs within our community** that contribute to improving the quality of life for neighborhood residents these grants provide either project or program support if matched by other contributions of volunteer time, materials, or donations. Applications are reviewed on a rolling basis throughout the year as long as grant funds are available.

Neighborhood Project Grant Guidelines

- **Applicants** should be a broad-based groups of neighbors who come together solely for the purpose of a specific project. The applicant group should:
 - Be democratically governed with an open membership and actively seek involvement of other neighbors; AND;
 - Partner with a nonprofit organization to serve as a fiscal sponsor of the project.

- Applications are NOT accepted from:
 - Individual persons or businesses.
 - Non-local groups.
 - Government agencies, religious or fraternal organizations.

- **Eligible projects** should:
 - Provide a **public benefit**.
 - Enjoy **broad-based support** within the neighborhood.
 - Serve an **unmet need** in lower-income areas.
 - Be completed within 12 months of grant approval.
 - Emphasize neighborhood self-help and relationships.
 - Avoid ongoing services that require further funding.
 - Involve other donors, if possible.

GRANT AMOUNT - Up to \$15,000 per grant. Applications are accepted any time; review and response will be provided as soon as possible after submitting all information.

MATCHING REQUIREMENT - For every \$1 of grant, the neighborhood group must raise \$1 match in the form of cash, volunteer labor, or donated in-kind professional

services or materials related to the project. Further:

- A **summary of cash donations** listing each donor name, amount, and date should be signed by the fiscal agent and someone from the neighborhood group. Cash pledges are NOT acceptable.
- The value of in-kind professional services and goods that are donated should be **documented by a letter** from the professional donor.
- All volunteer labor is valued at \$16.00 per hour; however, volunteer labor may not exceed 70% of the total required match. **Volunteer pledge sheet forms** should accompany the grant application and list each donor's name, number of hours pledged, address and phone, and type of job to be done.
- Counting volunteer labor **begins** when the grant is approved except for volunteer time directly related to **project design** if it is provided 6-months prior to the grant application date and documented with volunteer time sheets. The match **excludes** volunteer time spent in fundraising cash donations, soliciting professional services and goods, and completing the grant application.
- Grant applications may be submitted **prior to** completing the match in terms of the cash contribution or in-kind donations; however, in this case, the grant application should include a **fundraising plan**. Further, if approved, funding of the grant will be subject to the match being completed and the project budget being current.

OTHER REQUIREMENT - Total Project Cost, including a 15% Contingency, must be covered by total resources available for the project in terms of cash, volunteer labor, or donated professional services or materials related to the project.

GRANT APPLICATION - Application should not exceed 3 pages, excluding exhibits. It includes:

1. **Organization** - List the sponsor; describe involvement of neighborhood.
2. **Project** - Description and purpose.
3. **Project Budget** - Itemize project costs, including contingency equal to 15% of total costs.
4. **Project Timeline** - Describe critical events and timing.
5. **Proof of property owner's permission to use property** (if appropriate).
6. **Ongoing maintenance plan** (if appropriate).
7. **Project Resources** that are available in cash, in-kind, and volunteer labor.
8. **Fundraising Plan** (if appropriate) - Describe how resources are to be raised.
9. **Grant amount requested.**

10. **Exhibits.** Neighborhood contact information; IRS letter from sponsor showing nonprofit status; letters of agreement, etc.

GRANT AWARD - If a grant is approved, a grant award letter will be issued by Sherwood Trust describing the terms of the grant. Upon satisfying all grant conditions, the grant amount will be funded in lump sum to the sponsor.

STEPS TO DEVELOP A PROJECT

1. Select a project with broad neighborhood support and buy-in to assure success.
2. Develop the project's work plan, activities, and goals.
3. Research regulations, i.e. permits, insurance, design review, city requirements.
4. Gain site control and city advice - if appropriate.
5. Determine resources needed.
6. Develop a project budget.
7. Determine the match amount in terms of cash, in-kind, and volunteer labor.
8. Develop a plan to raise the necessary cash, in-kind, and volunteer labor.

SUGGESTIONS

1. Review a draft of the grant application with C2C staff, who are available to help develop the project budget and document match requirements. Forms are available for applicants to use. Contact Andrew at andrewr@bmacww.org.
2. Develop broad neighborhood support **before** writing the grant application.
3. Consider **responsibility to maintain** the proposed project - who will weed and water the new garden plot, who will remove trash, how will graffiti be removed?
4. Be thorough in completing the grant application to avoid delaying the review process.
5. Remember: Except for design work, project expenditures **prior to** grant approval are not reimbursable. So, don't spend money prior to grant approval.

Neighborhood Program Grant Guidelines

- **Applicants** should be organizations or broad-based groups of neighbors whose program will provide community-building support to underserved areas or populations in Walla Walla. The applicant group should:
 - Be democratically governed with an open membership and actively seek involvement of other neighbors; AND;
 - Partner with a nonprofit organization to serve as a fiscal sponsor of the project.OR
 - Be an established 501(c)(3) organization, OR
 - Be an established organization that has an agreement with a nonprofit organization that serves as a fiscal sponsor.
- Applications are NOT accepted from:
 - Individual persons or businesses.
 - Non-local groups.
 - Government agencies, religious or fraternal organizations.
- **Eligible programs** should:
 - Provide a **public benefit**.
 - Serve an **unmet need** in lower-income areas.
 - Enjoy **broad-based support** within the neighborhood.
 - Be completed within 12 months of grant approval.
 - Emphasize neighborhood self-help and relationships.
 - Avoid ongoing services that require further funding.
 - Involve other donors, if possible.

GRANT AMOUNT - Up to \$7,500 per grant. Applications are accepted any time; review and response will be provided as soon as possible after submitting all information.

MATCHING REQUIREMENT - For every \$1 of grant, the neighborhood group must raise \$1 match in the form of cash, volunteer labor, or donated in-kind professional services or materials related to the program. Further,

- A **summary of cash donations** listing each donor name, amount, and date should be signed by the fiscal agent and someone from the neighborhood group. Cash pledges are NOT acceptable.
- The value of in-kind professional services and goods that are donated should be **documented by a letter** from the professional donor.

- All volunteer labor is valued at \$16.00 per hour; however, volunteer labor may not exceed 70% of the total required match. **Volunteer pledge sheets forms** should accompany the grant application and list each donor's name, number of hours pledged, address and phone, and type of job to be done.
- Counting volunteer labor **begins** when the grant is approved. The match **excludes** volunteer time spent in fundraising cash donations, soliciting professional services and goods, and completing the grant application.
- Grant applications may be submitted **prior to** completing the match in terms of the cash contribution or in-kind donations; however, in this case, the grant application should include a **fundraising plan**. Further, if approved, funding of the grant will be subject to the match being completed and the program budget being current.

OTHER REQUIREMENTS

- Total Program Cost, including a 5% Contingency, must be covered by total resources available for the project in terms of cash, volunteer labor, or donated professional services or materials related to the project.
- Programs offered once or that can be self-financing after initial support are preferred. An organization re-applying for a Neighborhood Program Grant must demonstrate both proven success in the program model and a compelling case for why the program will make a significant difference in the community and is not yet sustainable on its own.

GRANT APPLICATION - Application should not exceed 3 pages, excluding exhibits. It includes:

1. **Organization** - List the sponsor; describe involvement of neighborhood.
2. **Program** - Description and purpose, identifying how program addresses unmet needs and who will be served by the program.
3. **Program Budget** - Itemize project costs, including contingency equal to 5% of total costs.
4. **Program Timeline** - Describe critical events and timing.
5. **Program Resources** that are available in cash, in-kind, and volunteer labor.
6. **Fundraising Plan** (if appropriate) - Describe how resources are to be raised.
7. **Grant amount requested.**
8. **Exhibits.** Neighborhood contact information; IRS letter from sponsor showing nonprofit status; letters of agreement, etc.

GRANT AWARD - If a grant is approved, a grant award letter will be issued by Sherwood Trust describing the terms of the grant. Upon satisfying all grant conditions, the grant amount will be funded in lump sum to the sponsor.

STEPS TO DEVELOP A PROGRAM

1. Select a program with broad neighborhood support and buy-in to assure success.
2. Develop the program's work plan, activities, and goals.
3. Determine resources needed, including any required permits, venue access, etc.
4. Develop a budget.
5. Determine the match amount in terms of cash, in-kind, and volunteer labor.
6. Develop a plan to raise the necessary cash, in-kind, and volunteer labor.

SUGGESTIONS

1. Review a draft of the grant application with C2C staff, who are available to help develop the project budget and document match requirements. Forms are available for applicants to use. Contact Andrew at andrewr@bmacww.org.
2. Develop broad neighborhood support **before** writing the grant application.
3. Be thorough in completing the grant application to avoid delaying the review process.
4. Remember: Except for design work, project expenditures **prior to** grant approval are not reimbursable. So, don't spend money prior to grant approval.