



## Capacity Building Initiative 2012 Capacity Building Request for Proposals

**Questions? Contact Kate Shirah (Kate@rexendowment.org or 919-838-1183).**

**Capacity Building Grant Application Notification of Intent to Apply or Letters of Intent must be e-mailed by noon on Tuesday, February 14, 2012 to: Kate@rexendowment.org**

*The John Rex Endowment invests in the development and support of activities, programs and organizations that improve the health of underserved people in Wake County. The John Rex Endowment supports visible and measurable improvements in the health of children and youth by improving access to health services, by promoting healthy behaviors and by providing opportunities for growth and development.*

### **Grantmaking Rationale**

The Capacity Building Initiative (CBI) is a funding area of the John Rex Endowment to:

- Strengthen the organizational capacity of nonprofits that address the health and well-being of underserved children and/or youth in Wake County; and
- Ensure these organizations can sustain their programs and services so they can contribute to healthy lives of our target population.

### **Funding Guidelines**

#### ***Eligibility***

The John Rex Endowment uses these criteria to determine eligibility:

- 501(c)(3) tax status or collaborative comprised of representatives from multiple organizations. Government and academic institutions are not eligible to apply. If the collaborative does not have 501(c)(3) status, it must designate a fiscal sponsor that does have 501(c)(3) status.
- In operation for at least three years
- Operating budget of \$10 million or less
- Primary focus on
  - providing physical, mental or behavioral health services to Wake County children and/or youth, or
  - fulfilling a core function in the provision of programs and services for underserved Wake County children and/or youth, or
  - ensuring healthy child/youth-specific spaces and environments in Wake County
- Local or regional service area (applications from statewide organizations will be considered if (1) they have a strong policy advocacy component that impacts Wake County children and/or youth, or (2) their programs and services address a need that is not met by a local or regional organization)

We encourage applications from organizations providing services to geographic regions of the county outside of Raleigh.

**Note:** CBI applications and awards do not impact an organization's eligibility for or consideration as part of other John Rex Endowment grant opportunities.

### ***Expectations of Grantees***

An underlying philosophy that informs our consideration of applications is that capacity building work is not easy work: there are no magical solutions and the level of benefit to organizations directly correlates to the level of time and effort invested by organizations. We expect that grantees approach this work with the understanding that, even with the use of a consultant, staff and board members should be adequately prepared for their role and responsibilities to ensure the work has value.

Those organizations new to working with the John Rex Endowment must be available for a grant implementation meeting at the beginning of the grant term. All grantees must be able to submit a final written report.

### ***Funding Availability for Capacity Building***

Capacity building support is designed to help a nonprofit enhance its internal infrastructure so that it can deliver quality programming more effectively and efficiently, and do so for years to come. Capacity Building grants have a specific purpose or issue identified through a comprehensive organizational assessment, such as strategic planning or financial management. In order to apply for a Capacity Building grant, organizations must have completed a comprehensive organizational assessment that meets John Rex Endowment requirements. To determine eligibility to apply, please use the checklist on Page 9.

Funding requests for Capacity Building grants are limited to \$35,000 (\$38,500 including 10% indirect expenses). If expected costs for the capacity building work exceed this limit, the John Rex Endowment will consider requests greater than \$38,500 provided sufficient justification and availability of funds. Should you have questions about an expected budget request exceeding this limit, please contact Kate Shirah (Kate@rexendowment.org or 919-838-1183).

We expect that most Capacity Building grants will be completed within 12-18 months. However, there is no minimum or maximum grant term for any type of support.

The John Rex Endowment will pay for an annual membership in the NC Center for Nonprofits for the year in which the grant term begins; the membership fee should be included in the budget request. Grantees are responsible for all communication and coordination of membership with the NC Center for Nonprofits.

### ***Requirements for Capacity Building Projects***

- Must be derived from priorities identified through a completed organizational assessment
- Focus on one or more of the following organizational development areas<sup>1</sup>:
  - ⇒ Mission, Vision and Strategy—Activities to strengthen the core planning of an organization in line with its overall purpose. Examples include but are not limited to strategic planning and scenario planning.
  - ⇒ Governance and Leadership—Activities geared towards strengthening organizational governance and fostering leadership. Examples include but are not limited to board development, succession planning, or executive coaching.
  - ⇒ Resource Development—Activities designed to ensure financial sustainability. Examples include but are not limited to business or financial planning, financial resource system development, or fundraising strategy development.
  - ⇒ Strategic Relationships—Activities aligned with improving the organization's relationship with external stakeholders. Funding in this area will be limited to marketing and communications systems or website planning and/or development.
  - ⇒ Internal Operations and Management—Activities contributing to a strong and sound core infrastructure. Examples include but are not limited to staff development planning or implementation, operations analysis and back office restructuring, or risk management program development.
  - ⇒ Program Delivery and Impact—Activities intended to enhance an organization's overall program impact. Funding in this area may include program or service efficiency assessments, evaluation planning or

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<sup>1</sup> Key areas are those recommended by Paul Connolly and Carol Lukas. (2002). *Strengthening Nonprofit Performance: A Funder's Guide to Capacity Building*. Amherst H. Wilder Foundation in collaboration with Grantmakers for Effective Organizations.

development, or community (or client) assessment. (*Note: Requests for the development of new program or services will not be considered.*)

### **Criteria for Priority Consideration**

- A mission and primary programs, services, or activities that strongly align with the John Rex Endowment's mission.
- Evidence of an approach that is based on established best practices in organizational development work and most likely to lead to the desired outcomes for the organization.
- Reflection on recent or expected economic, political, or social changes and their potential impact on the organization and the capacity building process.

Capacity Building grants will not be made for the following activities: general operating support; construction or rehabilitation of facilities; emergency repairs; personnel costs except as they directly apply to the work of the proposal; debt liquidation; expenses associated with capital campaigns; or routine administrative costs. Projects requesting a consultant to perform staff functions will not receive funding.

### **Consultant Qualifications and Criteria**

Consultants, if applicable, must be selected prior to application. An outside consultant is not required. Use of an outside consultant depends on the nature of the capacity building work; whether or not staff have required expertise and time available for the work; and what, if any, benefit a neutral outside perspective can contribute to the effort.

Please note that the John Rex Endowment does not endorse or recommend any particular consultants or consultant agencies. Should you need assistance in identifying a consultant to work with your organization, we have a directory of consultants in the area. In addition, we have created a guide that details our perspective on working with consultants as well as resources that can assist organizations in managing the process of engaging and working with consultants. Both the directory and guide are available for download on our website (<http://www.rexendowment.org/funding-process/capacity-building-request-proposals>).

We require evidence that the organization has interviewed at minimum two consultants in their selection process. Release from this requirement can be requested if the following conditions are met: (1) the organization has been working with a particular consultant and is requesting funds for continued and/or similar work, or (2) the organization has engaged the consultant in the past for similar work. Similar work is defined as work that requires the same skillset or knowledge expertise.

In addition, we expect these criteria for consultants that are providing expertise in nonprofit capacity building through John Rex Endowment funding:

- Complies with State of NC regulations and licensure requirements as applicable (e.g., fundraising counsel or professional solicitor licensing)
- A minimum of three years nonprofit experience (as staff, board, volunteer, or consultant)
- A minimum of two years recent experience in a nonprofit consulting role
- Demonstrated skill in stated area(s) of practice
- Demonstrated effectiveness in working in a consulting role with nonprofit clients

## **Application Instructions**

### ***Application Assistance***

Questions? Contact Kate Shirah (Kate@rexendowment.org or 919-838-1183).

### ***Proposal Process and Timeline***

Organizations may have only one active CBI grant at a time. The CBI grant review process is competitive, regardless of whether an organization has received prior John Rex Endowment CBI funding. CBI proposals will be accepted during all three funding cycles: the Summer Award Cycle, the Fall Award Cycle, and the Winter Award Cycle.

The Capacity Building grant review process involves these steps:

- Organizations that have received prior CBI funding from the John Rex Endowment must send an e-mail to Kate Shirah (Kate@rexendowment.org) as notification of intent to apply. E-mail notification must include the name of the applicant organization, a sentence stating intent to apply, and the estimated total of the budget request. Applicants will be sent an e-mail confirming receipt of their intent (please follow up should you not receive confirmation).
- Organizations that have not received prior CBI funding from the John Rex Endowment must submit a letter of intent via e-mail (Kate@rexendowment.org) to be considered for full review. Applicants will be sent an e-mail confirming receipt of submitted letter of intent (please follow up should you not receive confirmation).
- Applications for capacity building funding must be submitted as a **hard copy** (Attn: Kate Shirah; John Rex Endowment; 712 W. North Street; Raleigh, NC; 27603) and **via e-mail or disc** (Kate@rexendowment.org). Applicants will be sent an e-mail confirming receipt of their application (please follow up should you not receive confirmation).
- The John Rex Endowment's Health Improvement Committee will review submitted proposals and applicants will be notified of status following the meeting.
- The Health Improvement Committee will take funding recommendations to the Board of Directors and applicants will be notified of status following the Board meeting.
- Approved grants cannot have a start date earlier than six weeks following the Board meeting.

<b>DEADLINES</b>	<b>Summer Grant Award Cycle</b>	<b>Fall Grant Award Cycle</b>	<b>Winter Grant Award Cycle</b>
<b>Intent to Apply or Letter of Intent Due</b>	Noon on Tuesday, February 14	Noon on Tuesday, June 12	Noon on Tuesday, October 9
<b>Application Due</b>	Noon on Tuesday, April 10	Noon on Tuesday, August 14	Noon on Tuesday, December 11
<b>Review Status Notification</b>	End of May	End of September	End of January 2013
<b>Award Notification</b>	Mid- June	Mid-October	Mid- February 2013
<b>Earliest Grant Start Date</b>	August 1	December 1	April 1

### ***Proposal Instructions***

#### **Letter of Intent**

The letter of intent must not exceed two pages and must be typed using a font size of 10 pt or larger. Do not send any attachments. The letter of intent must include the following information in the order listed:

1. Include a primary and alternate contact name, telephone number, and e-mail address.
2. What is the name of the organization (or collaborative) requesting funds?

3. Briefly describe your organization's (or collaborative's) mission, population served, and programs and services.
4. What is your geographic service area? If your geographic service area extends beyond Wake County, what percentage of your work involves direct services to Wake County children and/or youth? If you do not provide direct services to Wake County children and/or youth, describe how your work benefits Wake County children and/or youth. For statewide organizations, please describe (1) the advocacy component of your work that impacts Wake County children and/or youth, and/or (2) what need your organization addresses that is not met by local or regional organizations serving Wake County.
5. How long has your organization (or collaborative) been in operation? When did you receive your 501(c)(3) status?
6. Describe the completed organizational assessment process including the dates when the assessment was conducted, key activities, who were involved, and the primary findings. Your description must have a statement that all required areas of organization infrastructure (mission, vision, and strategy; governance and leadership; resource development; strategic relationships; internal operations and management; and program delivery and impact) were included in the assessment process and provide a brief description of how each was assessed.
7. Summarize the nature and scope of the capacity building work including:
  - A. The rationale for this capacity building work as identified by the completed organizational assessment.
  - B. Expected outcome of the capacity building work, i.e., how this assistance would strengthen your organization and/or improve your service to the community.
8. State the estimated amount of your budget request for this work.

### **Full Proposal**

Only one hard copy is required, no staples, paper clips, or other binding. Do not send any attachments except those specified in these guidelines: any additional attachments received will not be provided to reviewers.

1. Complete the John Rex Endowment's proposal cover page.
2. Complete a narrative that argues the case for funding of your capacity building work. You should include all of the sections listed below using the section titles as provided. At minimum, you must answer each question listed under the section title. You may cut and paste any repeat information from your letter of intent. You may choose to include additional content as appropriate. The narrative must be typed using a font size of 10 pt or larger and must not exceed six pages. Recommended word counts are provided for each section; nevertheless, we expect that section lengths may fall outside of these recommendations depending on the nature of the proposal.
  - A. Organizational Information (*recommended 500 words or less*)
    - 1) Briefly describe your organization's (or collaborative's) mission, population served, and programs and services.
    - 2) What is your geographic service area?
    - 3) Quantify and/or qualify the impact of your work on Wake County children and/or youth.
    - 4) Quantify and/or qualify the percentage of your programs and services that benefit Wake County children and/or youth directly and/or indirectly. If applicable, include the number of unique children and/or youth served by your organization.
    - 5) Articulate whether and how your organization (or collaborative) plays a critical role for Wake County children and/or youth in addressing a particular need or needs. For statewide organizations, please describe (1) the advocacy component of your work that impacts Wake County children and/or youth,

and/or (2) what need your organization addresses that is not met by local or regional organizations serving Wake County.

- 6) How long has your organization (or collaborative) been in operation? When did you receive your 501(c)(3) status?
- 7) (If applicable) If the request is on behalf of a collaborative, please list the names of each key partner organization with primary contact information.

B. Needs Statement (*recommended 500 words or less*)

- 1) Describe the completed organizational assessment process including key activities, who were involved, what organizational areas were addressed, and the primary findings. Include the timeframe in which the assessment was completed. Your description must have a statement that all required areas of organization infrastructure (mission, vision, and strategy; governance and leadership; resource development; strategic relationships; internal operations and management; and program delivery and impact) were included in the assessment process and provide a brief description of how each was assessed. If this application is for a strategic restructuring implementation grant, described the assessment and planning activities that have led to your application for this support.
- 2) Discuss the specific need(s) that you wish to address. Why was this need or needs prioritized over other needs identified through the assessment process? The description of the need should be focused on articulating the current situation and challenges related to the people, skills, systems/processes and/or structure that must improve (i.e., what is the problem?).

C. Project Description (*recommended 800 words or less*)

- 1) Succinctly state the main purpose of the capacity building work for which you are submitting a request.
- 2) Describe the nature and scope of the capacity building work (i.e., what is the solution to the problem?).
- 3) How will the capacity building work address the need you've identified, and what evidence do you have that this is a sound strategy for addressing the need?
- 4) What are the major activities—key steps required to successfully complete the capacity building work—associated with this project? Required for each activity: detail individual(s) responsible; specific deliverables expected; the date by which the activity will be completed; and, if applicable, the estimated hours responsible individual(s) would spend on the activity. You may use a table format (see Example Work and Evaluation Plan) to present this information. Regardless of format, this information is included in the six-page limit for the narrative.
- 5) What, if any, potential challenges or obstacles might affect the progress of this capacity building work?

D. Organizational Interest and Commitment (*recommended 350 words or less*)

- 1) What prompted your interest in the Capacity Building Initiative?
- 2) Why is your organization (or collaborative) wanting to undertake this capacity building work now?
- 3) What is the organization's (or collaborative's) readiness to change?
- 4) Indicate the date on which the proposed capacity building work was discussed and approved by the Board (or other leadership entity for collaborative). For CBI funding, the John Rex Endowment is requiring organizations to have Board approval for the work being conducted. We strongly feel that sustaining the impact of capacity building over the long-term requires ownership of and commitment to the process by organization leadership and staff.
- 5) Do you expect any turnover on your Board in the coming year? If so, how might these changes in the Board impact follow through on this capacity building work?
- 6) Articulate your expectations regarding the amount of time board members and management staff will need to invest in this work to ensure its value.

E. (If applicable) Consultant or Technical Assistance Description (*recommended 350 words or less*)

- 1) Provide the name, phone number, and email address for the consultant or technical assistance provider (TA provider) who will assist in or carry out this capacity building work. If you are working

with more than one consultant, provide names and contact information for all consultants. Designate which consultant will serve as the primary contact to your organization.

- 2) Describe how you selected this consultant or TA provider. With how many consultants or TA providers did you speak? Who were involved in the decision making regarding the selection of the consultant or TA provider? What was the selection process?
- 3) Why did you select this consultant or TA provider? Why did you think they would be a good fit for your organization?
- 4) For consultants providing expertise in nonprofit capacity building work only, articulate how the consultant meets these John Rex Endowment criteria:
  - Minimum of three years nonprofit experience (as staff, board, volunteer, or consultant)
  - Minimum of two years experience in a nonprofit consulting role
  - Demonstrated skill in stated area(s) of capacity building work
  - Demonstrated effectiveness in working in a consulting role with nonprofit clients

**Note:** A consultant contract should be kept on file with your agency and available to the John Rex Endowment if requested.

F. Evaluation (*recommended 300 words or less*)

- 1) What are your primary objectives for this capacity building work? How will you track your progress towards achieving these objectives? You may use a table format (see Example Work and Evaluation Plan) to present this information. Regardless of format, this information is included in the six-page limit for the narrative.
- 2) What are the short and long term results of this work for your organization? How will the work improve the functioning or performance of the organization? How will the work allow the organization to more effectively serve its mission?

G. Project Finances (*recommended 250 words or less*)

- 1) Summarize what the requested amount of funds will be used for in support of this project.
- 2) (If applicable) Provide justification if your budget request includes personnel expenses. For each personnel line item, document: (a) the planned activities or responsibilities of the staff member, (b) a brief rationale as to why these activities or responsibilities must be carried out by this particular staff member, (c) the number of estimated hours the staff member will spend on carrying out each activity or responsibility, and (d) the percent time and dollar amount of support requested specific to the grant term (e.g., 2% FTE for 3 months for a total request of \$800).
- 3) (If applicable) Provide justification for any budget line items that are atypical or not self-explanatory.
- 4) (If applicable) Provide justification if your budget request exceeds \$38,500.

**Personnel Expenses:** The John Rex Endowment will consider personnel costs only IF they apply directly to the proposed capacity building work and fall outside of typical operating activities. For example, the John Rex Endowment will not provide funding for staff to conduct fundraising activities as that can be categorized as a normal job duty or responsibility.

**Note:** A detailed budget justification for all expenses should be kept on file with your agency and available to the John Rex Endowment if requested.

3. Please attach these supporting documents:

- A. The proposed project budget using the John Rex Endowment's budget form. John Rex Endowment funds are to be used to cover both direct and indirect expenses associated with the assessment. Indirect expenses must be included at 10% of requested direct expenses. Total requests for capacity building funding should not exceed \$38,500 (including 10% indirect expenses) without justification. If desired, please include the cost of annual membership with the NC Center for Nonprofits.
  - 1) Direct expenses—costs that are clearly and easily attributable to the assessment—include personnel expenses and project expenses such as consultant expenses, education and training fees, and convening or meeting expenses.

- 2) Indirect expenses (not to exceed 10% of John Rex Endowment-paid direct expenses), or overhead costs, such as rent, utilities, housekeeping, bookkeeping, and internet charges.
- B. A list of your organization's board of directors with affiliations and key management staff including position titles.
  - C. For the John Rex Endowment's financial review of the organization, please provide the following supporting documents:
    - 1) Your organization's operating budget for the current fiscal year showing revenue (with sources) and expenses.
    - 2) Your organization's most recent independent financial audit. If an audit is not available please state why.
    - 3) The two most recent financial statements including (1) Statement of Financial Position (Balance Sheet), and (2) Statement of Activities (Income Statement).
  - D. A copy of the consultant's resume (if applicable).
  - E. If a collaborative application with a fiscal sponsor, include a completed fiscal sponsor signature page.
  - F. If this is a strategic restructuring implementation grant, include a completed partner agreement form for each partner organization.
4. Complete the John Rex Endowment's proposal signature page.

## Eligibility Checklist for Capacity Building Grants

### Section 1: Does your organization meet John Rex Endowment eligibility criteria?

- Are you a 501(c)(3) or collaborative, composed of representatives from multiple organizations? **Note:** Government and academic institutions are not eligible.
- Have you been in operation for at least three years?
- Do you have an operating budget of \$10 million or less?
- Do you have a primary focus on (1) providing physical, mental, or behavioral health services to Wake County children and/or youth, OR (2) do you fulfill a core function in the provision of programs and services for underserved Wake County children and/or youth, OR (3) does your work ensure healthy child/youth-specific spaces and environments in Wake County?
- Do you have a local or regional service area (Wake County and surrounding counties) OR are you a statewide organization that (1) has a strong policy advocacy component that positively impacts the health and well-being of Wake County children and youth, or (2) offers programs and services that address a need that is not met by a local or regional organization?

If you answered **YES** to all of the questions Section 1, continue to the next section.

If you answered **NO** to any questions in Section 1, your organization is not eligible to apply for either an Organizational Assessment Grant or a Capacity Building Grant.

### Section 2: Has your organization undergone a comprehensive organizational assessment that meets John Rex Endowment requirements?

- Was the organizational assessment completed within the past year?
- Was the organizational assessment conducted by a qualified professional consultant outside of your organization?
- Did the completed assessment involve board leadership as well as staff?
- Did the organizational assessment include a review of important organizational documents (e.g., legal) as part of the assessment?
- Did the completed assessment include...
  - Mission, vision, and strategy?
  - Governance and leadership?
  - Resource development?
  - Strategic relationships?
  - Internal operations and management?
  - Program delivery and impact?

If you answered **YES** to all of the questions in Section 2, your organization may submit a letter of intent to apply for a Capacity Building grant.

If you answered **NO** to any of questions in Section 2, your organization may apply for an Organizational Assessment grant that builds on (rather than duplicates) assessment work already completed. Your organization is not eligible to apply for a capacity building grant.