PREPARING A SUCCESSFUL GRANT APPLICATION

A BRIEF OVERVIEW

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Government and non-government grants provide an excellent source of funding.

There are several stages to a grant application process:

1. Identify the grant for which you will be applying.
2. Develop and submit the grant application.
3. Allocate out the funding.
4. Acquit the funding against the application.
5. Develop a grant report.

The best way to learn how to write a grant application is to talk through the process and work on some examples. This document provides an overview of the main steps in the process.

IDENTIFYING A SUITABLE GRANT

There are many potential sources of funding through grants. These include:

- commonwealth government,
- State/Territory government,
- non-government not-for-profit,
- non-government trust, and
- other private grant schemes

Grants can be identified through a range of measures. Many are included in newsletters developed by organisations which specialise in grant related issues. These newsletters are often provided on a profit basis, with a charge incurred for people accessing the information. They also have a very wide readership, which means that the potential grant application audience is also quite broad.

The government grant cycle generally runs twice a year. Applications are sought in the first half of the year (usually between January and March) and the second half (usually September to November). This allows agencies to plan prior to the end and mid point of each financial year. The commonwealth government maintains a Discretionary Grant Central Register in the Department of Finance. This is not accessible to the public but each government agency reports in its Annual Report on the discretionary grants which it manages. Attachment A is an excerpt from a speech made by the former Parliamentary Secretary to the Finance Minister. This provides information on the government grants programme and the sources of information on government grants. While the government has changed since this speech was given, the policies and procedures around discretionary grants remain largely unchanged.

It is always worth maintaining a relationship with organisations which have provided funding to your organisation in the past in case further grant opportunities become available. In this regard, cold canvassing for funding is an option. Attachment B provides an example of a very simple sponsorship package which can be used as a basis for cold calls to organisations for grants or sponsorship.

Regular review of known grantors, whether to RSPCA or to other charities, is important. Larger organisations such as The Mary Kibble Trust and The Ian Potter Foundation regularly report on grant opportunities via their websites.

Finally, a simple internet search can often identify grants across government and non-government organisations.

Once you have identified a grant, it is important to determine the potential for your organisation to be eligible. Consider the purpose of the grant organisation against the work done by your organisation and assess the likelihood of their board of directors being interested in supporting your

work. Even though the organisation is in place to further charitable causes, consider what is in it for them – why should they support your organisation rather than the many hundreds of other worthy causes seeking their funding?

Almost any project can be pitched in such a way as to support our position, but it is more efficient and effective to target organisations which are likely to support the wider work which we do. For example, it would be worthwhile to submit an application to an organisation which has a focus on education, social welfare and the like rather than one which has a focus on industrial reform.

Think broadly about grant opportunities:

- a PAWS project can be submitted as a grant application to an organisation which deals with aged care, mental health or domestic violence,
- a behavioural training project can be submitted for funding through an association with physical health, adult learning or youth activities,
- and so on.   (these are RSPCA examples, but think broadly)

DEVELOPING A GRANT APPLICATION

Most grants require a formal application against a series of criteria. In some cases, this information is provided on the organisation's website. In other cases, you may need to discuss the requirements with the relevant contact person. This latter approach can be very useful in determining whether your application has a good chance of success. In essence, a grant application should be structured as follows:

- Background and Aim
- Issues and Project Outline
- Methodology
- Evaluation Plan

While some organisations have more specific requirements, it is a general rule that all grant applications must include:

- Background information about your organisation, including financial statements;
- A detailed outline of the project for which funding is being sought. It is extremely rare for grant funding to be provided for "business as usual". Almost all grants relate to specific, tangible projects;
- A statement of expected outcomes of the project, focussing on the benefits and why the grantor organisation should care;
- Timing for the project, including development, implementation and evaluation. Most grants will cover a single financial year;
- Opportunities for promotion, including how the contribution of the organisation providing the grant will be publicised;
- Risks to the success of the project and how these will be managed;
- A detailed budget, broken down into staff, materials, contracts and other costs;
- An evaluation plan.

The majority of these are self explanatory. The information provided below aims to expand on the more complex aspects.

Determining a Budget

Providing a clear and accurate overview of what funding is needed for what components of the project is critical to the credibility of the submission and to assure the grantor that your organisation is fiscally responsible and has given due consideration to the costs of delivering the project for which funding is sought. While a budget is always an estimate, it should be as accurate as possible as any discrepancies between the estimated expenditure and actual expenditure will need to be explained. Common items for inclusion in a budget include:

- Staffing costs – costs of staff needed to develop and deliver the project.
- Capital costs – costs of purchasing or building any assets, including IT, buildings, fit out or major equipment.
- Consumables – costs of items which will be used in the project, such as medicines, course/event collateral and stationery.
- Marketing costs – costs of advertising, printing, promotion and the like.
- Contract costs – costs to be paid to third parties for components of the project, such as engaging a consultant to develop a handbook or a contractor to undertake improvements to a facility.
- Overheads to cover any costs of staff leave, staff entitlements, fit out, accommodation, costs of electricity and other known items.

Of these costs, the most contentious are those which relate to staffing. In many cases, the staffing costs will not relate directly to a full time allocation of time. As such, the concept of FTE (full-time equivalent) is useful. This means that you can cost staff based on the proportion of a standard FTE which it represents. For example, if you have two staff working on a project for 50% of their time, that would equal one FTE for the period of the project. If you had only one staff member working on the project for 50% of their time, the staffing costs would be based on 0.5 FTE.

Salary costs can then be calculated either on the basis of an hourly rate, a daily rate or an annual salary. When using an hourly or daily rate, you will need to factor in any employee entitlements (eg: leave loading or superannuation) which otherwise may be overlooked. A standard 38 hour week should be used for costings. Determine the salary level required and then use that gross figure to determine salary costs.

Where capital costs are sought, depreciation will need to be factored in. There are various methodologies used for calculating depreciation, the most common being straight line or fair value.

- Straight line is a single, unadjusted rate over the period of life of the asset. For example, if an asset has an agreed life of five years, the depreciation allowance would be 20% per annum of the original cost.
- Fair value is the amount which you could expect to receive if the asset was sold in an open market environment.

Assets are depreciated over an agreed period of time, usually 5-10 years depending on the nature of the asset. As depreciation is usually an out-year impact, this only applies to grants covering more than one year, but depreciation costs will need to be factored in to the ongoing budget of the organisation.

Evaluation and Review

The organisation providing the grant will require assurance that the funds provided have been spent in accordance with the original grant specifications and that the desired outcomes have been achieved. Some organisations will require a mid-point report, but most require evaluation and report at the end of the programme.

Some key points to note include:

- When planning your project timeline, factor in an evaluation and review period.
- If you need to gather data, make sure you set up the necessary models as part of establishing the project.
    - Consider both quantitative and qualitative measures of success. For example, you may wish to count the number of people attending an education course as a quantitative measure, but a qualitative measure might be use of a survey to determine the level of understanding achieved by participants.
- Any deviation from the original project scope will need to be explained.
- The prominence afforded the grantor should be highlighted, especially when describing how their role in funding the project was advertised.

ALLOCATE OUT THE FUNDING

Where purchases or recruitment are required, it is important that these be made in a timely fashion to ensure that commencement of the project is not delayed. Where funding is not spent in the year in which the grant was made, there will be a flow on effect to the capacity of the organisation to deliver the project as agreed. There is also a risk that the funding will lapse, leaving your organisation to cover any costs outside the current year.

Where a grant has been given with a funding level different to that proposed by your organisation, the budget will need to be adjusted to clearly state what will and will not be delivered as a result of the financial changes.

ACQUIT THE FUNDING AGAINST THE GRANT APPLICATION

As well as outlining the success of the project and the completion of all aspects of the project against the original grant application, financial reconciliation against the original budget is required. It is important to demonstrate two key points:

1. That funds have been spent in accordance with the original agreement.
2. That the funds have gone directly towards achieving the outcomes which were intended under the grant agreement.

DEVELOP A GRANT REPORT

Many organisations will provide a pro forma for grant reports. This will seek confirmation that the project was completed in the agreed time frame and with the funding provided. All aspects of the grant which were given specific prominence in the application process, such as media and marketing, will require some degree of individual reporting.

It is likely that the grantor will want to use the project outcomes to demonstrate the success of their grant programme. You may be required to provide a summary of the outcomes which can be readily adapted into a media friendly format.

Data to support the claims made in the report are essential. Data requirements and sources should be identified as part of implementing the project and the data captured should be included as an attachment to the final report to demonstrate the veracity of your claims.

You may wish to provide independent verification of the grant's completion. Some organisations require audited financial statements. Many require an independent statement from a stakeholder that the project has been completed.

Needless to say, any grant report should also address the additional opportunities presented as a result of the project. This enables you to open the door to further discussions with the grantor organisation about funding for additional work or for a longer period of time.

Overview of Discretionary Grants Management

The objectives of the Australian Government in its approach to grant reform is establishing an accountable and transparent grant management framework, adopting a whole-of-government approach to grant management, ensuring efficiency through simplifying and streamlining the grant management process, examining alternative and innovative methods of grant funding, developing an effective performance measurement framework to ensure best practice management of your grant programs, and integrating risk management into grant planning processes are all key to Government reforms.

Discretionary grants are payments where a Portfolio Minister or paying agency has discretion in determining whether or not a particular applicant receives funding.

There are a large number of programmes and payments made by the Australian Government that don't fall within our definition, such as payments to overseas aid organizations, income support payments, emergency payment programmes and purchaser/provider arrangements associated with contracting out of Government services. However, there are a large number of programmes and ad hoc grants that do come within the umbrella of discretionary grants.

Discretionary grants:

- include payments made to an organisation or individual.
- can be ad hoc grants that are made on a one-off basis, as well as grants renewed under continuing programmes.
- may be funded either from the paying agency's administrative or departmental expenses.
- include awards, gifts, departmental (non-legislated) rebate schemes and non-reciprocal scholarships grants, as well as services-in-kind provided in lieu of grant payments.
- are normally payments that organisations or individuals receive after satisfying eligibility and/or reporting requirements.

The Australian Government provides discretionary grants to the community, individuals, business and industry, and other governments. Discretionary grants are made in a wide range of portfolios. These include, to mention just a few, Family and Community Services, Transport and Regional Services, Health and Ageing, Agriculture, Fisheries and Forestry, Education, Science and Training, Communications, Information Technology and the Arts, Environment and Heritage, Foreign Affairs and Trade, and Veterans Affairs. Grants include everything from Landcare to Sports Development, Television Blackspots to Capital grants relating to aged care. Grants range in size, from around $100 for such diverse things as licensing fees for Television Black Spot projects to millions of dollars for economic infrastructure.

To meet the challenge of such a diversity of grants and grant arrangements, it is important to have oversight at a whole-of-government level, such as that maintained through the Government's discretionary grants reform agenda.

In April 1998, the Government agreed to implement a number of reforms to improve the administration of Discretionary Grant Programmes. These reforms included:

- the establishment of a central database containing information on all discretionary grants - the Discretionary Grants Central Register;
- annual reporting by the Finance Minister to the Expenditure Review Committee (ERC) on whole-of-government trends and further opportunities to improve discretionary grants administration; and

- the prior approval by the Finance Minister of all discretionary grants that exceed one year, that is, what we call multi-year grants.

[Finance] oversees these arrangements to ensure agencies demonstrate that the administration of their discretionary grants programmes are fundamentally sound and transparent, that programmes have a thorough assessment process, that grant payments are linked to contracts and are dependent upon the achievement of clearly specified milestones.

The Government's reforms are aimed at addressing community concerns about the use of public funds and making the best use of limited discretionary grant funding by, for example:

- Ensuring grants continue to be consistent with the Government's priorities and policies.
- Encouraging greater transparency and a higher level of accountability for grant outcomes.
- Minimising overlaps between grants from one Government programme to another, including discouraging "double-dipping" by applicants seeking funding for exactly the same purchase from a range of Government sources.
- Encouraging the exploration by applicants of alternative sources of funding, whether private sector, community or State and local government, before seeking funding from the Australian Government.
- Providing equitable access to grants.
- Seeking to reduce the fragmentation of assistance - for example where annual grants are being made for the same purpose, to the same entities, year after year, suggesting that administering agencies may need to seek a different policy solution.

Portfolio Ministers are required, under these arrangements, to regularly review their programmes in light of the reforms and to ensure their agencies report in line with the requirements of the Discretionary Grants Central Register.

Administering agencies have a range of responsibilities under the reforms, including:

- entering and updating their portfolio information in the Register as soon as a grant is approved and prior to awarding and announcing the payment;
- preventing double-dipping;
- ensuring the grant applicant is aware that some of this information will be stored centrally and will be available to Commonwealth officials and the Government on a need to know basis;
- ensuring that any written approvals for multi-year grants, or approval for exemptions are obtained prior to the grant being announced and awarded;
- implementing criteria for assessing eligibility and for the evaluation of grants that are outputs and outcomes focused;
- ensuring grant programmes and grants represent value for money; and
- designing programmes and administrative processes that are consistent with best practice – such as outlined in the Better Practice Guide on the Administration of Grants, published by The Australian National Audit Office. This publication can be found on the ANAO website (WWW.ANAO.gov.au).

With such a range of programmes with a diversity of purposes there is no one answer to the question of how to apply for and have a grant approved. Application and approval processes vary with the nature and complexity of the grant and the policy outcome that the Government is seeking. What works for a simple one-off payment, won't work for a complex grant involving millions of dollars and the construction of economic or community infrastructure. For example, in order to get the best social, economic and environmental outcomes at a local level programmes like Regional Partnerships, administered within the

Transport and Regional Services portfolio, use advisory committees to provide on the ground advice to the Minister for Transport and Regional Services about proposed projects.

The Australian Government has a range of initiatives in place to provide assistance to individuals, the community and business in applying for a grant.

- The Commonwealth Regional Information Service (CRIS) provides a free call service (1800 026 222) for those seeking assistance to identify a programme that may assist them and the right contacts for the programme.
- The Grantslink Website provides an internet search engine to assist with identifying and accessing Australian Government grants (www.grantslink.gov.au).
- Fed.Gov.au – the Government's information website provides information about contacting Government agencies and programmes.
- Area Consultative Committees (ACC) – The national network of Area Consultative Committees (ACCs) provides an important link between the Federal Government and rural and metropolitan Australia. As volunteer community based organisations, ACCs are uniquely placed to respond to issues in their regions and provide a vital conduit to government on local, social and economic conditions.
  - ACCs work in partnership with the Government to identify opportunities, priorities and development strategies for their regions. More information can be found on their website www.acc.gov.au.
- The Business Entry point website is an initiative funded by the Australian Government and coordinated by the Department of Industry, Tourism and Resources with the support of State and Territory Governments. It is overseen by the Minister for Industry, Tourism and Resources.
  - The Business Entry Point is an online government resource for the Australian business community. It provides business with a wide range of services and information about start-up, taxation, licensing and legislation, as well as significant transactions such as taxation compliance and licence applications.
  - The Business Entry Point enables businesses to comply with government requirements more simply and conveniently by providing free online access to essential information and services. (www.business.gov.au)
- Additional assistance in applying for grants is also provided by the administering agency, many of whom have offices and contacts throughout Australia.
- In most communities there are also a range of other contacts and assistance available, including from Local Governments to help applicants put their best foot forward in the application process.

VALENTINE'S DAY AT DENDY'S
DENDY BRINGS TOGETHER ANIMAL LOVERS TO SUPPORT RSPCA

What's it all about?

RSPCA ACT proposes to partner with Dendy's Cinemas Canberra to hold an event for Valentine's Day 2008. This event would involve the exclusive screening of a movie, perhaps "Lady and the Tramp", and drinks at the Dendy's complex. A lucky door prize, silent auction and raffles would also be conducted.

The primary purpose of the event would be to raise funds for the work of RSPCA ACT, awareness of animal welfare issues and demonstrate Dendy's commitment to community interests.   Targeting a select audience, this exclusive event would encourage prominent businesses, community organisations and individuals to network and consider future options for their own partnerships.

RSPCA ACT holds several major events through the year, including an Awareness Week breakfast, which is attended by such prominent Canberrans as former Olympian Petria Thomas, television personalities Jessica Good and Andrea Close, the heads of major government departments and senior politicians at the Territory and Federal level and the executive officers of major businesses. It is this high profile audience which RSPCA ACT would propose targeting for a Valentine's Day event.

A similar movie showing event was held with another cinema in 2006-07, with great success. RSPCA ACT is now looking to work with Dendy's to build on the interest in and excitement about their status as the newest and brightest cinema complex in the ACT.

Tell me more about RSPCA ACT and why Dendy's would benefit from the event.

RSPCA ACT is a high profile and well respected charity. As an organisation, it attracts a great deal of media interest and, as such, the positive exposure for Dendy's can be expected to be considerable. This would also signify a great starting point for an ongoing relationship between Dendy's and RSPCA ACT.

RSPCA receives only minimal funding from government – less than eight cents in the dollar – so has a strong community support network and a reliance on building and maintaining effective relationships with sponsors and donors.

RSPCA would take primary responsibility for organising the event, selecting appropriate guests, liaising with corporate and other major sponsors and donors to ensure a high profile outcome, preparation of raffles and other prizes, and general marketing and promotion. Specifically:

- RSPCA ACT would promote the event through its e-newsletter, website and via hard copy material in the Pet Adoption Centre at Weston Creek.
- RSPCA ACT will issue regular media releases and CSAs in the lead up to the event, naming Dendy's in all cases.
- RSPCA ACT will use its media contacts with WIN television and Mix 106.3 FM to promote the event, including naming Dendy's where possible.
- RSPCA ACT will recommend Dendy's as a venue of choice to its members and major sponsors.
- RSPCA ACT will take responsible for coordination of raffles and other prizes, including providing dog and cat original paintings by local artist, Nicola Breen.

What would Dendy's need to do?

Dendy's would be asked to provide the venue and movie, as well as refreshments, if possible. Dendy's would also be asked to play an active role in promoting the event and participating in media activity.

Should Dendy's wish to continue a relationship with RSPCA ACT, RSPCA ACT would include Dendy's in future events, including the high profile Million Paws Walk, Pets' Party and Christmas celebrations.   Options for ongoing corporate sponsorship would be welcomed by RSPCA ACT as would discussions of options for future movie screenings.

What happens next?

Should Dendy's agree to work with RSPCA ACT on this event, staff from both organisations would need to work out a memorandum of understanding, including costs, promotional activities and other logistical matters.

RSPCA ACT would be keen to start promoting the event in January 2008.