



WACO FOUNDATION'S GRANTMAKING INFORMATION PACKET

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Thank you for your interest in Waco Foundation's Grantmaking!

The Foundation requests that all potential applicants review this FAQ document and the grant program description in full and contact Nicole Wynter, at nwynter@wacofoundation.org or 254.754.3404, before submitting an application.

ALL GRANT PROGRAMS:

Do you restrict your giving to a particular geographic area?

Yes, as the community foundation for McLennan County, Waco Foundation awards grants to 501(c)(3) tax-exempt, nonprofit organizations that are physically located in and provide services to McLennan County, Texas.

What type of project is the Foundation interested in funding?

As a community foundation, we seek to be responsive to the needs of our nonprofit community while remaining committed to our mission of promoting solutions to community challenges.

With that in mind, the Foundation has placed a high priority on the following:

- Fostering more racially equitable experiences and outcomes for area residents
- Helping people leave poverty permanently. As an example, priority will be given to supporting the most focused, cost-effective methods of:
 - Significantly reducing teen pregnancy
 - Significantly increasing graduation rates from high school, technical school, community college, and college
- Supporting valuable projects that are:
 - Interesting, unique, and energizing; and which seek to make Waco a vibrant, inclusive, and attractive community
 - Considered to be critical components and high priorities of the entire community
- Increasing the capacity of McLennan County's nonprofit sector and the ability of the community-at-large, to address challenges:
 - Strengthening nonprofit sustainability
 - Helping local organizations collaborate
 - Increasing leadership capacity and pathways
- Funding organizations that provide support and service to our most vulnerable residents – people in poverty, people with disabilities, the elderly, children, and youth.

We also may engage in activities that create general awareness about problems that pose significant challenges to the community but are not receiving the community's focus or attention.

NOTE: It is important to note that with the exception of Critical Needs Grants, all funds are awarded on a reimbursement basis, meaning dollars are not disbursed without our first receiving proof that purchases/services have been received and paid for.

What type of project is the Foundation not interested in funding?

The Foundation considers the following to be low giving priorities:

- Annual operating expenses of established agencies including debt reduction or retirement, deficit financing, reducing operating deficits, or replenishing resources used to pay for such purposes;
- Historic preservation;
- Individuals, except through educational scholarships offered via our MAC College Money Program;
- Local, state, or national fundraising or awareness activities (including annual fund drives, benefit tickets, event sponsoring, and telephone solicitations);
- Maintenance expenses or maintenance issues created due to deferred maintenance;
- Medical or scholarly research;
- Membership fees;
- Organizations physically located outside the Waco/McLennan County area even though their project may benefit local residents and communities;
- Political lobbying or legislative activities;
- Publications, videos, etc.;
- Religious activities or programs that serve, or appear to serve specific religious groups, denominations or faiths. Projects that will serve a broad segment of the general population will be considered on the same basis as proposals from other agencies;
- Retroactive funding for current projects, programs, or equipment;
- Start-up funding for new organizations;
- Tax supported entities (e.g. cities, schools)*; and
- The use of and payment for services of a fiscal agent.

*The Foundation Board will consider externally initiated projects from taxing entities via the Immediate Impact Grants Program. All other taxing entity-supported activities will occur at the Board's initiative, based on perceived community need.

Does Waco Foundation make grants to support research?

Typically, we do not make grants for research. We may conduct research of our own and, on occasion, may contract others for research when the research product is something that will benefit the entire community and will help advise our community's collective, strategic direction.

What do you look for in a successful project application?

Generally speaking, a successful grant application will have a number of things included. We encourage nonprofits seeking our support to present a **project** that:

- Proposes a practical solution to a community problem;
- Is in response to a clear, documentable community need;
- Is based on evidence-informed practices;
- Has the potential to demonstrate clear, positive outputs and outcomes;
- Leverages or generates other funding or resources;
- Promotes cooperation among nonprofit agencies without duplicating efforts;
- Addresses prevention while providing immediate assistance for a problem; and/or,
- Enhances and encourages sustainability.

When reviewing grants, consideration is also given to the health and strength of the **organization** submitting the request*. Some of the things we commonly assess are:

- The degree to which their efforts help address community needs;
- The capability of the agency and its personnel to achieve expected results;
- The demonstration of good governance, leadership, and administration;
- The financial health and sustainability of the project and organization (including good record keeping); and
- Demonstrated collaboration with and/or support agencies involved in similar projects.

If you have not already done so, we recommend that you check out our Organizational Readiness Checklist, to ensure you meet the basic expectations for applying.

*The scope of review and expectation varies according to the type of grant requested. To learn more contact the Foundation's grantmaking staff.

How do I apply?

The Foundation offers five types of grant funding. They are:

- Immediate Impact Grants (See page 7 for more information)
- Capital Grants (See page 6 for more information)
- Program/Operating Grants (See page 7 for more information)
- Critical Needs Grants (See page 9 for more information)

Organizations are encouraged to create a profile and submit an application via our online portal, linked here: <https://www.grantinterface.com/Home/Logon?urlkey=waco>.

The Foundation will accept paper applications from those organizations with limited or no access to a computer. Nonprofits should contact the staff to request a copy of the application and the list of required attachments.

How long will it take to review my application?

Response times are largely determined by Board meeting dates and the type of funding being requested. While there may be some deviation in response times due to changes in the board meeting schedule and the length of board deliberations, the response timeline for the grant programs are generally as follows:

- Immediate Impact Grants: up to 35 days
- Small Capital Grants: up to 35 business days
- Large Capital Grants (by invitation only)
- Program/Operating Grants (require LOI process): approx. 3 months
- Critical Needs Grants: up to 35 days

-Submissions are due by 11:59 P.M. Central Time on the date listed on the website.

What does the actual review process look like?

- Program/Operating Support & Large Capital Support Processes: Uses a Letter of Inquiry process to help vet projects and keep nonprofit work to a minimum if possible. The Board reviews letters of inquiry and determines which organizations should be invited to submit a full grant proposal. Submitting organizations are notified by email of the Board's decision and will receive a copy of their proposal questions **after** they are invited to continue with the grantmaking process.
- Critical Needs, Small Capital Projects & Immediate Impact Grant Processes: The Board will review and determine which projects should receive funds. Submitting organizations are notified via email of the Board's decision.

Are all organizations required to have an audit to apply?

Organizations with receipts of \$300,000 or more must submit a copy of their most recent audit AND the letter on internal controls as part of their application. If a letter on internal controls was not issued, you will need to submit a letter from the auditor stating such.

Will you fund requests or award grants at amounts less than requested?

Waco Foundation may choose to support requests at a level equal to or less than the amount requested. We strongly encourage applicants to develop a diversified fundraising

plan/strategy for the project they are seeking our support for, as we typically prefer not to serve as a project's sole funder.

Can my organization apply for a multi-year grant?

The Foundation does not consider itself an annual funder. However, some projects may receive multi-year funding if the Board deems it appropriate.

Is there a waiting period between grants? How often can I apply?

With the exception of Capacity Building Mini Grants, organizations may not apply for more than one type of grant award at the same time. They may however, apply for more than one grant in the same fiscal year if their first funding request is not successful.

Any nonprofit awarded a *competitive* grant must wait a period of 12 months from the award date before applying for another round of funding.

Capacity Building Mini Grants are not subject to this requirement, as those funds awarded based on available funding, the number of eligible projects, and the merit of the request itself.

The Foundation does not award more than one competitive grant to an organization within a twelve-month period. With the exception of some Critical Needs Grants and Capacity Building Grants, all funds are awarded on a reimbursement basis.

About Capital Grants

This program has been established to support a nonprofit's need to complete a significant capital project or acquire important capital equipment that lends to organizational efficiency, effectiveness and mission completion. More specifically, Waco Foundation funds can be used to support:

- Building renovation and new construction.
- Equipment purchases that are directly used in the delivery of programs and/or services (e.g. kitchen equipment, security hardware).

Most vehicle purchases are excluded from consideration - please contact staff to discuss your proposed transportation project.

A note about Information Technology and Communications (ITC) hardware and software: The Foundation expects organizations to allocate for ITC expenses (e.g. phone and computer purchases and maintenance) as a part of their regular, annual operating budget. Given the constant changes in information technology and the extent to which upgrades are needed as

a result of such changes, the Foundation may encourage nonprofits seeking IT funding assistance to consider lease agreements that allow for regular upgrades, as opposed to outright purchases. Only under special circumstance, will the Foundation give consideration to funding ITC these needs. To be eligible for ITC support consideration, the applicant must be able to demonstrate they have or are in the process of:

1. Including technology and communications related costs – including maintenance and replacement - as a regular line item in their operating budget (and as such, can cover future technology costs).
2. The need is not the result of deferred maintenance choices.

Organizations considering an ITC request must discuss their need and concept with Foundation staff before beginning an application.

The Foundation offers two grant categories for support – small capital grants and large capital grants. Small capital grants assists with requests of up to \$40,000 and use a basic application process. Large capital grant requests (anything above \$40,000) use a letter of inquiry process. Large capital requests are available through invitation only. Applicants must contact the staff to initiate a conversation about their project.

About Program/Operating Grants

The Foundation recognizes that some nonprofits try to address community programs having staff coordinate programs or services. For such cases, we invest program/operating support grants in organizations with sound plans following a letter of inquiry process.

Program/Operating Support Grants are intended for agencies whose programs or services give attention to identifying and addressing the root causes of area challenges, including the social drivers or determinants that foster, create or reinforce inequitable outcomes and experiences.

The first step in applying for a program/operating support grant, is to submit an electronic Letter of Inquiry (LOI). The LOI provides the Foundation with an overview of your funding request. If the Board determines that your project falls within our funding guidelines and priorities, you will be invited to submit a full grant proposal.

About Immediate Impact Grants

Through its grantmaking, Waco Foundation allocates funds to support projects which, as the name suggests, are intended to help create an immediate impact on the local community.

The program, which provides grants of up to \$5,000 to eligible organizations, is intended to:

- Support the needs of vulnerable residents (e.g., people in poverty, people with disabilities, elderly individuals with limited financial means/access to resources, children and youth);
- Support grassroots efforts that facilitate development of and in Waco neighborhoods that have been traditionally underserved, undercapitalized or underinvested in financially. Work will be eligible for consideration if it falls into one or more of the following zip codes and/or recognized CDBG eligible areas including but not limited to 76704, 76706, 76707 and 76711.

Recognizing that the needs and work of our community partners differ, the Immediate Impact Grant program has been divided into two categories:

- Grants to Civic/Community Groups and Nonprofits
- Grants to Eligible Taxing Entities (i.e., McLennan County school districts, community & technical colleges, CPS & Juvenile programs)

What types of projects qualify for funding?

Past Immediate Impact Grant program awards include:

- The Move East Waco Project was designed to help support community health issues identified through the Community Health Needs Assessment.
- Scholarships to support access to services for limited-income individuals needing access to local therapeutic riding agencies (e.g., people with disabilities, veterans)
- Facilitation of a workshop for veterans and families dealing with PTSD.
- Parent Engagement program expenses for a local neighborhood association partnering with a WISD campus
- Girls Self-Esteem Programming for a targeted population.

What other types of projects may be eligible for consideration in support of the civic-grassroots and/or neighborhood development efforts?

The types of projects the Foundation would be willing to consider include but are not limited to the following:

- Facilitated neighborhood planning/visioning and (community participatory) research processes;
- Facilitated neighborhood gatherings designed to build community and networking among neighbors;
- Trainings/Workshops/Services that facilitate building the capacity of residents to plan, organize, and implement community-led projects that enhance a neighborhood's image, safety, and/or its access to services;
- Small neighborhood improvements that are not usually eligible for coverage by government funds (e.g. sidewalk number paintings, banners, and other services that lend to visibility, branding, and/or identification);
- Establishment and promotion of neighborhood gardens and other efforts that aid in healthy food access and food distribution by/to area residents;

- Funds that further the collaborative work being done to address poverty issues, particularly as it relates to health, education, and financial security;
- Projects that help build the capacity of neighborhood residents to create, support and/or strengthen entrepreneurial, and/or innovative services in their immediate community.

The Foundation strongly encourages interested parties to connect with Grassroots Community Development, our designated Fiscal Agent for these projects, or Foundation staff before beginning a Civic-Grassroots/Neighborhood Development project application, as the location, timing, scope, etc. of a project may impact our interest and ability to fund.

About Critical Needs Grants

Critical Needs grants are designed to provide short-term, situation specific funding for nonprofits experiencing operating challenges due to unforeseen emergencies or urgent needs. With a relatively small amount of funding, these grants help an organization take advantage of an unbudgeted, unforeseen, and time-sensitive opportunity or emergency that will enhance or preserve the ability of the organization to meet its mission.

Fund Uses/Priorities

Critical Needs grants enable Waco Foundation to assist agencies with time-limited grants in the following circumstances:

- Emergencies directly impacting an agency such as fire, gas explosion, flood or disease outbreak, natural disaster or other unpredictable occurrences that require capital expenditures.
- Temporary increased service need experienced by a nonprofit/agency that is the direct result of an emergency such as a fire, tornado, flood, disease outbreak, etc.
- Urgent needs that could not be anticipated that directly impact a nonprofit or a program of a nonprofit. This would include the unexpected loss of committed funding. Critical grants can provide support to consolidate, downsize or terminate programs in a responsible manner; or to stabilize program for the short-term (up to 3 months).
- Obtain essential equipment, technology, or resources that could not have been anticipated, for which there is no other source of funding, and without which the work of the organization would be severely compromised. (Ex: to obtain equipment necessary due to new regulations or other requirements.)
- Conduct emergency repairs of building structure or mechanical systems (heating/cooling, water service, etc.) whose sudden and unexpected failure interferes with the provision of services. (Ex: to remediate mold after a flood or cover cleaning and repair costs after a disaster that is not covered by insurance.)
- Otherwise address an emergency need that could not have been anticipated and for which there is no other source of funding (Ex: to expand program operations due to an unexpected and dramatic increase in demand for services.)
- Projects or situations requiring immediate attention that if left unaddressed, will prevent the nonprofit from operating and fulfilling its mission.

- Theft or damage to equipment required to operate core programs.
- Accidental or unexpected occurrence that causes facilities to be inaccessible or programs unable to operate until resolved.
- Unexpected failure or immediate impending failure of equipment that could threaten an organization's ability to provide programming or services.

What These Grants Will Not Fund

We will not fund proposals for projects that should have been anticipated and budgeted for and that are not time-sensitive. Generally, critical need grants will not be awarded for:

- Structural or technology failures due to deferred building maintenance or technology upgrades.
- Expenses incurred before the grant application was submitted.
- Problems resulting from an organization's failure to adequately plan: Examples: 1) waiting until a lease expires before trying to locate alternate space, 2) relying on a small number of donors for support without a developed plan to sustain programming, 3) failure to pay taxes, 4) running operating deficits over multiple years, 5) not anticipating construction contingency costs, 6) failure to plan for maintenance costs and or replacement costs of existing equipment.
- General operating expenses, ongoing program costs, or payroll expenses.
- Replacing a gradual loss of funding/declining donation income.
- Endowment funds, capital campaigns, or annual giving campaigns.
- Festivals or one-time events such as fundraisers.
- Support for travel, field trip, competition, or award ceremony expenses for schools or organizations.
- Scholarships or individuals.
- Sectarian religious or partisan political purposes.
- Church buildings and grounds (exceptions may be given for daycare ministries).

Under special circumstances, the Foundation will consider providing support for

- Budget deficits or shortfalls.
- Deficit funding or debt retirement.
- Computer/building/IT equipment if it is a true emergency.
- Providing interim funding while waiting for government reimbursement.
- Starting up new programs.

How We Evaluate Critical Needs Applications

The Foundation will consider the following criteria:

- Compatibility with the Foundation's general funding priorities and guidelines.
- Whether the project or program enhances or preserves the ability of the organization to meet its mission.

- Well-documented community need for organization and/or project; community support for the project and the organization.
- Extent to which the project or program will address the needs of our region, including underserved populations.
- Time sensitivity of the project or program; grant would meet an immediate revenue need.
- Financial sustainability of the project or program and financial stability of the organization. Including but not limited to:
 - Funding Reserves: Local foundations have provided advice that all organizations need between 3 and 6 months of operating reserve in anticipation of emergency shortfalls. An organization without a reserve will need to include an explanation as to why, in their grant application.
 - Endowment Status: Organizations with endowments will need to explain the organization's policy regarding the potential use/limitations of utilizing endowment income to address needs.
- Project is not part of the annual workplan or budget.
- Availability of Foundation funds.

Application Details/Process

The grant process is as follows:

- All prospective applicants must schedule a discussion with the Foundation to assess eligibility for funding.
- If the project is deemed to meet eligibility requirements, the nonprofit will be invited to submit an application.
- The grant application will be reviewed and assessed for funding approval.

Electronic submissions are preferred but the Foundation may accept requests in other formats.

Reporting Expectations

If granted a critical needs fund, the agency will have a report due one month after the funds have been expended or three months after the grant is awarded, whichever is earlier.