



Frequently Asked Questions (FAQs) – Our Grantmaking for FYE2022

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 (on the portal) 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 service 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 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 our educational scholarships;
- 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 or denominations. 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.

GENERAL INFORMATION REGARDING PROGRAM/OPERATING & CAPITAL SUPPORT GRANTS:

Does Waco Foundation make grants to support research?

Typically, we do not make grants for research. We conduct research of our own and, on occasion, 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?

A successful grant application will have a number of things included. Whenever possible, 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 consideration.

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: approximately 45 days
- Small Capital Grants: approximately 60 business days
- Large Capital Grants (require LOI process): 90+ days

- Program/Operating Grants (require LOI process): 90+ 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 Process: 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 will be invited to submit a grant proposal. Submitting organizations will be 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.
- Small Capital Projects & Immediate Impact Grant Process: The Board will review all applications for small capital projects and Immediate Impact Grants and determine which projects should receive funds. Submitting organizations will be 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 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. Exceptions will be made for organizations that received a COVID-19 related grant.

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.

General Information about Immediate Impact Grants

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 service to McLennan County, Texas.

With regard to requests for Civic-Grassroots/Neighborhood Development projects, work will be eligible for consideration if it falls into one or more of the following zip codes: 76704, 76706, 76707, 76711 or a recognized CDBG eligible area.

Is there a maximum grant amount for Immediate Impact Grants?

Yes, grant awards typically do not exceed \$5,000. The Foundation may make an exception of those projects which call for the use of fiscal sponsor (more on that below).

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.

Note: The Foundation's preference is not to duplicate ongoing efforts. Applicants proposing services/programs that are similar to what is being offered locally will need to demonstrate how their projects align with efforts underway and their plan for engaging the intended audience(s).

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

How often can a community or organization make a request?

General Nonprofit Projects: The Foundation does not consider itself an annual funder, and as such, typically does not provide multiyear or repeat funding for a single project or initiative.

Civic-Grassroots/Neighborhood Initiatives: A sponsoring organization is eligible to submit requests during each grant cycle, which occurs approximately 5-6 times per year. A total of **\$5,000** may be requested and rewarded to any participating neighborhood/community within a fiscal year (April – March). The requested activities may be unrelated and come in the form of multiple requests. It should be noted, however, that the applicant/fiscal sponsor will have to demonstrate that the efforts collectively lend to the enhancement plans for that area.

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 this grant program is generally 45 days.

If a funding request is not approved, how long must we wait before we can submit a new request?

New requests may be submitted each grant deadline, so if a project request is submitted but not approved, a request for a new project may be submitted at the next cycle. The Foundation recommends that the applicant connects with Foundation staff to understand the decision-making process and glean tips for aligning their subsequent request(s).

Information for Civic/Grassroots Projects Not Tied to a 501(c)(3) Nonprofit

To facilitate community organizations and neighborhoods having access to financial resources, the Foundation will deliver the grants for grassroots leadership through a relationship with eligible nonprofit 501(c)(3) fiscal sponsors.

Can you explain what Fiscal Sponsorship means?

One of the simplest explanations for fiscal sponsorship was created by Charity Lawyer Blog which states: "The term 'Fiscal Sponsorship' describes an arrangement between a non-profit organization with a 501(c)(3) tax-exempt status and a project, often a new charitable effort, conducted by an organization, group, or an individual that does not have 501(c)(3) status. Fiscal sponsorship permits the exempt sponsor to accept funds restricted for the sponsored project on the project's behalf. The sponsor, in turn, accepts the responsibility to ensure the funds are properly spent to achieve the project's goals".

The IRS criteria for Fiscal Sponsorship are as follows:

- "Grants/donations are given to a 501(c)(3) tax-exempt organization (the sponsor) that acts as a guardian of the funds for a project that does not have 501(c)(3) status.
- The funds received by the sponsor must be used for specific charitable projects that further the sponsor's own tax-exempt purpose.
- The sponsor must retain discretion and control as to the use of the funds.
- The sponsor must maintain records that establish that the funds were used for 501(c)(3) purposes.
- The project should either be short term or the non-exempt organization should be actively seeking its own tax-exempt status".

Source: <http://charitylawyerblog.com/2010/09/17/fiscal-sponsorship-vs-fiscal-agency/#ixzz4wcevgiyI>

Which local organizations are authorized to be Fiscal Sponsors?

At present, Grassroots Community Development has been authorized to serve as a fiscal sponsor. The Foundation is willing to consider additional nonprofits for such positions, as circumstances deem appropriate.

What are the requirements for a nonprofit to become a sponsoring fiscal agent?

In addition to the IRS requirements listed above, the Foundation looks for the following characteristics in a partner, sponsoring agencies:

Strong nonprofits working to address community needs, which can demonstrate:

- A solid history of and capacity to continue achieving results;
- Good governance and administration;
- Skilled, well-trained, capable leadership;
- Solid financial health and sustainability;
- That they are an active community partner, with a history of engaging with local collaborators, networks, and associations. The presence of community organizing staff is ideal.

Does the fiscal sponsor/sponsoring nonprofit receive any funds for helping to process the request?

Yes. Fiscal sponsors may assess a fee of 10% of the grant total, to cover their costs for providing administrative and financial oversight and support.

It is important to recognize that the end recipient will need to work closely with the sponsoring organization to complete the application process and fulfill the reporting requirements associated with the grant.