



OFFICE OF  
HOUSING COUNSELING  
LET'S MAKE HOME HAPPEN

# Introduction to Grant Writing as a Non-profit Agency

Audio is only available by  
conference call

to join the conference call portion of the webinar

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# **Cheryl Appline**

**Director, Office of Oversight and Accountability  
Office of Housing Counseling**

# Agenda



- Purpose of today's training
- Structure of a successful nonprofit
  - Nonprofit status
  - Organizational development
  - Board
  - Strategic plan
- Grant funding requirements
  - Performance measures
  - Budget

# Today's Webinar



- Discussion of key internal structures and processes nonprofits should have in place to effectively apply for and manage grant funds
- **Not** an in-depth discussion of specific funding opportunities available to HUD-Approved Housing Counseling Agencies

# Polling Question



## What type of organization do you represent?

1. Local housing counseling agency
2. HUD Intermediary (e.g., National or Regional Intermediary, State Housing Finance Agency or Multi-state organization)
3. Sub-grantee or affiliate of a HUD Intermediary
4. Non-participating agency looking to become HUD-Approved
5. Other

# **Agency's Nonprofit Status**

# Agency's Nonprofit Status



**HUD Approved Housing Counseling Agencies are required to have evidence of their nonprofit status before approval**

- Do you have copies of IRS determination letters?
  - Do they show your current address and contact information?
- Are you in compliance with local requirements?
  - Is your agency up to date with state and local governments?

# Organizational Development



# Organizational Development



- **A Non-profit organization is a business.**
- Should be operated according to sound business principles.
- An important difference between a non-profit and a for profit business is what must be done with the profit your organization makes.

# Organizational Development (continued)



- You must demonstrate knowledge of what the neighborhood really needs and can bear.
  - Be able to provide market analysis/feasibility study.
  - **Use:**
    - Consolidated Plan reports
    - US Census Tract Data
    - Housing reports created by local Boards of Realtors or local lending associations

# Nonprofit Boards

# What is a Board?



- Legally responsible governing body
- Establishes mission, vision, strategic plan and operating policies
- Power of the Board is vested in all members, not individuals
- Board Structures
  - Working Governing Board
  - Policy Governing Board
  - Collective Board

# What is a Nonprofit Organization?

A good way to look at a nonprofit is to compare it to a for-profit organization.

## FOR PROFIT CORPORATIONS

- Owned by stockholders
- Generate money for the owners
- Success is making a sizable profit
- Board members are generally paid
- Money earned over and above expenses is kept as profit and distributed to owners
- Usually not exempt from paying federal, state and/or local taxes

## NONPROFIT CORPORATIONS

- Not Owned
- Serve the public
- Success is meeting the needs of the public
- Board members are unpaid volunteers
- Money earned over and above expenses is rolled back into meeting public need
- Can often be exempt from federal taxes and some other state/local taxes

# Board Evolution

	Phase 1	Phase 2	Phase 3
	Grassroots	Developmental	Mature
<b>Style</b>	Informal	Formal rules of operation & conduct	Structured & scheduled annual plan of board work
<b>Activities</b>	Organizing, creating structure, advocacy, member & support acquisition	Networking, acquiring community credibility, structuring services, developing revenue sources & profile of services	Strategic planning, structured oversight & activity monitoring; plans for further growth, board assessment & board development
<b>Systems</b>	Reactions, responds to ongoing developments changes plans as dictated	Operating standards & reporting of costs, revenue & services results	Comparative reports of revenue, expenses investments results & service results over time

# Board Responsibilities



- Mission, Vision & Values
- Set Board Policies & Plans
- Select, Appoint, Support & Evaluate CEO/ED
- Ensure Effective Planning & Resources
- Set & Monitor Programs & Services
- Enhance Public Image
- Serve as Court of Appeal
- Assess Board Performance

# Board Member Responsibilities



- Board Committees
  - Utilize Board Members' Expertise
  - Recommend policy for approval by full Board
  - Do not supplant responsibility of each member
  - Hold scheduled and recorded meetings
- Actively Participate in all Board Operations
- Actively Monitor Organization's Performance
- Ensure all Legal Requirements are Met
- Represent the Organization





## “The 3 G’s”

**G**ET MONEY

**G**IVE MONEY

**G**ET OFF THE BOARD

# Conflicts of Interest



- Include board members with expertise in areas that help support the agency mission
- Be cognizant of potential conflict of interest , ie administering the agency's operations for personal or private gain
- **Use safeguards to avoid the appearance of conflict**
  - Conflict of interest guidelines in charter or by-laws
  - Board members may recuse themselves from voting on issues relating to their business or profession
  - Client disclosures identify industry partners and board members and note clients are not required to use the services of these companies or individuals in order to receive agency services

# Selecting Board Members



- A diverse board is beneficial to providing different perspectives and knowledge
  - For-profit business leaders are allowable
    - Detailed disclosures and a quality control plan for identifying, addressing or mitigating any conflicts of interest are required
- Board Members must be able to pass background checks that will disclose ineligible participants in HUD grants
- Funding sources may require unique structures to your board to qualify for funding

# High Quality Boards



- Continuously improve board & staff capacity
- Set expectations, communicate, & enforce
- Seek additional help when faced with problems

# Polling Question



#2

**What percentage of your Board Members use the “Get Money, Give Money” fundraising strategy?**

1. Less than 10%
2. 10-20%
3. 30-50%
4. 60-70%
5. 75-100%

# Strategic Plan

# Why Plan?



“Will you tell me please which way I ought to go from here”, said Alice

“That depends a good deal on where you want to get to”, said the Cat



“I don't much care where”, said Alice.

“Then it doesn't matter which way you go”, said the cat.



# Do We Know What We Need To Know?



*A Nonprofit organization is a business.*

*It should be operated according to sound business principals.*



# Critical Document



- All successful non-profit businesses have a plan of operation. This is called a **strategic plan**.
  - Identifies where an organization is going over the next year or more.
  - Describes how the organization is going to get there.
  - Describes how you'll know if the organization got there or not.
  - HUD-Approved agencies are required to operate their housing counseling program under an approved work plan.
    - Non-housing counseling activities not included in the housing counseling work plan will need to be included in the agency's complete strategic plan

# Necessity Of Strategic Plan



- Effective strategic planning will result in decisions that ensure the organization's ability to successfully respond to changes in the environment.
- **Strategic planning assumes that an organization must be responsive to a changing environment.**
- Involves key organizational players
  - Board of Directors
  - Executive Staff (if conducted after organization formed)

# Elements of a Strategic Plan



## **Mission Statement**

- Why you exist and what you do?

## **Vision Statement**

- What you want to achieve or accomplish?

## **Targeted Neighborhood Service Area**

- Outlined geographical area of service

## **Local Collaborative**

- Who do you need to partner with and why
- Identify stakeholders

# Elements of a Strategic Plan (continued)



## Programmatic Approaches

- The context on how you deliver your services

## Evaluation

- What you will use to show that your project/program is successful
- **Measurable** Program Indicators

# Elements of a Strategic Plan (continued 2)



## Work Plan

- Identifies specific actions to be taken for goal accomplishments
- Identifies roles and responsibilities
- Identifies deadlines
- Produces valuable information to help tell the organization's story in facts and not just anecdotes.

# Ensuring the Success of a Strategic Plan



- During the planning process, involve the people who will be responsible for implementing the plan
- Ensure the plan is realistic
- Board Chair and CEO/ED should show visible support
- Always introduce and explain plan to staff
- Organize the overall strategic plan into smaller action plans, it makes it more manageable

# Ensuring the Success of a Strategic Plan (Continued)



- In the overall planning document, specify who is doing what and by when. And, if necessary, how.
- Build in regular reviews of the status of the implementation of the plan. If the review indicates unexpected problems, revisit and revise plan accordingly.
- Translate plan's actions into job descriptions and personnel performance reviews.

# Ensuring the Success of a Strategic Plan (Continued)



- Ensure Board members regularly review status reports.
- Have pairs of people be responsible for tasks. Improves staff capacity and provides backups for unexpected situations.
- Communicate the method of follow-ups to the plan. It conveys the importance of the plan.



# Polling Question



#3

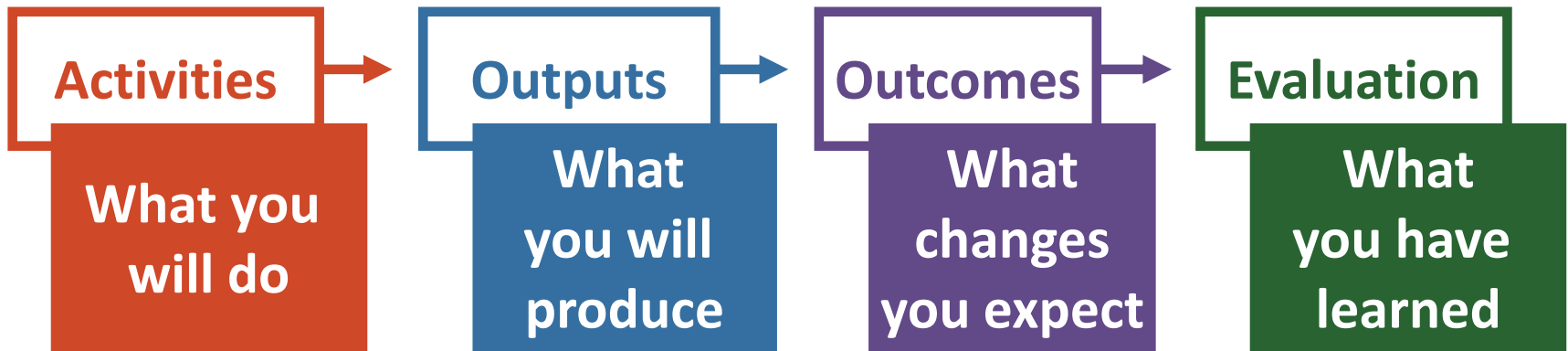
**How often should your organization's board review your strategic plan?**

1. Yearly
2. Twice a Year
3. Every 3 Years
4. When necessary
5. When new Board Officers are installed

# Performance Measurements

# Performance Measurements

## Problem or Situation



# Outcomes



## Outcomes are benefits to:

- individuals
- families
- organizations
- communities

....from their participation in a program or service.

***Outcomes are always measurable***

# Outcomes (continued)



- **Increase** in participants' knowledge
- **Change** in how participants think
- **Change** in what participants can do
- **Change** in participant behavior
- **Change** in participant conditions as a result of the program
- **All benefits** or positive change to the program participants.

# Why Measure Outcomes?



- **Outcome measurement** perform important functions
- Serve as a learning loop that feeds information back into programs on how well they are doing.
- Provide findings that organizations can use to adapt, improve and become more effective.

# Characteristics of Outcome Language



Outcome language describes the **impact** on the client, not what the service provided the client.

## Example

- 20 Families received case management services

# Characteristics of Outcome Language (continued)



## **Example: 20 families receiving case-management services within the past 90 days:**

- 5 families increased their household income by 20% or more
- 4 families obtained safe affordable rental housing
- 1 family purchased a home
- 3 persons received their G.E.D.
- 1 person completed Certified Training Class
- 1 person opened a child-care center
- 5 families are currently receiving case-management services and have not achieved any goal listed in their case management plans



# Outcomes Characteristics Checklist



- Measurable
- Simple, clear and understandable
- Realistic
- Manageable
- Identifies a specific group of clients
- Specifies a time frame
- Measures an end, not a means to an end
- Outcome measures are taken after service has been delivered

# Classic Mistakes When Writing Outcomes



- Service is stated as an outcome
- Absence of a clear relationship between the service and the outcome
- Projected outcome cannot occur within the expected time frame
- Performance is under or over estimated

# Performance Measurement Tips



- What gets measured gets done
- If you do not measure results, you cannot tell success from failure
- If you cannot see success, you cannot reward it
- If you cannot reward success, you are probably rewarding failure
- If you cannot see success, you cannot learn from it
- If you cannot recognize failure, you cannot correct it
- If you can demonstrate results, you can not only win public support, but continue to build up your community.

# Polling Question



#4

**How do agencies in HUD's Housing Counseling Program report and measure outcomes?**

1. HUD Form 9902
2. HUD Form 9900
3. HUD Form 9910

# Budget

# Budget



- Federal Grants generally require an applicant to follow a particular format and submit completed standard forms. Grant application packages come with budget guidelines that must be followed.
- NOTE: 2 CFR 200 Subpart E detail cost principles for governments and non-profits

# Types of Funding

## PUBLIC

- Federal Agencies
  - Two types
    - Competitive
    - Non-competitive
- State and Local Agencies
  - State, County and local municipalities and local government agencies. Process can be competitive.

## PRIVATE

- Foundations
  - Awards to private, NP, Tax exempt (501) (c) (3)
- Corporations
  - Direct giving, donations, and cause related marketing that produces income
- Professional & Trade Associations
- Fundraising Activities

# Financial Management



- Appoint a person responsible for financial management
  - Establishing accounting records
  - Setting up bank accounts
  - Establishing receipt procedures
  - Establishing payment schedules and approval procedures
  - Taking care of administrative costs properly
  - Tracking and spending program income



# Key Questions



- Who is eligible to apply for the funds?
- What types of expenses/activities are eligible?
- Does our mission match up with the goals/objectives/funding priorities of the program described in the application?
- If I receive the funds, can my agency effectively administer the program?
- What is the selection criteria?

# Developing A Budget



- It is an estimate & a working document
- Line items need to be specific
- Lists other sources of funding
  - Should include cash and in-kind amounts
- Be clear and concise – all costs should be discussed in the proposal
  - Everything in budget must be discussed in narrative
  - Typically divided into personnel, administrative and non-personnel expenses

# Budget Categories

## Personnel

- Salaries
- Benefits
- Travel
- Training

## Administrative

- Fiscal services
- Insurance
- Audit

## Non-personnel

- Materials and supplies
- Equipment
- Marketing
- Facility costs
- Printing

# Budget Narrative (continued)



Budget Narratives need to detail how costs were arrived at and must meet the test for reasonableness.

## Example:

- Travel for 6 staff
  - 4 staff @ \$10.00 per day (POV) = \$ 40.00\*
  - 2 staff @ \$6.00 per day (POV) = \$12.00
- Total POV costs per day = \$52.00
  - (20 mi. per day@ .50 mi., 1999 avg. per employee)

# Budget Narrative (continued)



- Travel costs in FY 2017 for each of our 3 case managers averaged \$10.00 per day (POV 20 miles @ .50 a mile).
  - Each worker met with 8 clients and performed phase one evaluations.
- The FY 2018 program will add 3 case workers.
  - Two workers will meet with clients at the XYZ clinic, spending 20 hours at the clinic per week. The expansion of program staff accompanied by site based assessment enables “The Utah Service Council” to increase the number of clients served by 20% while reducing POV costs by 15%.

# Budget Narrative Check List



- Did you organize costs in a logical format?
- Did you provide an easy to follow and detailed account of your expenses?
- Did you include all direct and indirect costs?
- Do your budget and narrative follow the same flow & do they add up?
- Have you checked that all costs are consistent with stated goals, staffing patterns, etc. ?

# Next Steps

# Next steps



- Search for data that shows the need for your agency's goals
- Assess the strengths of your agency board of directors
- Identify the steps to improve your agency's strategic plan
- Establish how you can track the effectiveness of your programs
- Determine who is responsible for creating your agency's budget and confirm you can create a sufficient budget
- Begin researching grant opportunities in your area



# Upcoming Webinar on HUD Grant Applications



- Register for the **July 17, 2018** webinar on **FY 2018 Comprehensive Housing Counseling Grant NOFA** describing the structure of HUD grants and how to successfully submit a complete application:
  - <https://attendee.gotowebinar.com/register/5010594726055430147>

# Resources



## Find us at:

[www.hudexchange.info/counseling](http://www.hudexchange.info/counseling)

## Housing Counseling Online Training

<https://www.hudexchange.info/trainings/courses/introduction-to-housing-counseling/>

## National Counsel of Nonprofits

<https://www.councilofnonprofits.org/>

## Email us at:

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