

Added Value

More than Money

Winter 2009

Playing With Matches

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2009 Workshops To date:

January 22:

How to Play with Matches Without Getting Burned

*A "How To" Session on
Matching Funds*
Nonprofit Forum,
Sarasota, FL

Teleconferences

May 15

Money-tastic #2

*A Short Course in
Nonprofit Income
Opportunities*

September 18

Money-tastic #3

*Creative Revenue
Streams for Your
Nonprofit*

KAREN EBER DAVIS
CONSULTING

In the first draft of Aaron's grant, the donor funded 100 percent of the project. After playing with match possibilities, in the second draft, while Aaron's grant request was the same, it equaled 1/3 of the project.

Almost all grant donors prefer other support for your grant project besides the funds you request from them. The existence of other support assures the donor that the project will take place, it strengthens its future sustainability and shows that they are not alone in valuing it. One way to demonstrate your project's vitality is to include match in your request. Match includes any costs, beyond the money requested from the donor, necessary to make a project a reality.

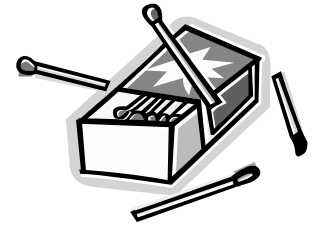
Since most grant donors prefer not to fund 100 percent of your grant project, looking at all the expenses associated with completing a project will offer you many match opportunities. The match sources you select will depend on your situation plus any of the donor's requirements. Prioritized below, starting with the most frequently used, are six common match sources.

1. Staff Time

This is time that your staff will invest in a project for which you will not request grant funds. For example, you want to purchase a playground. You plan to request \$10,000 for swing set equipment. To complete the project, you anticipate the following staff

involvement:

- The executive director will provide overall leadership
- The program director will convene a volunteer task force to look at designs and insure handling of the local permits
- The financial manager will collect bids, make recommendations and process all paperwork, including grant contracts and reports
- To help the organization's daily flow, the receptionist will help customers and workers during two installation days



To determine staff match, you estimate the hours each person will need. In this case, 3, 10, 10 and 16 hours respectively. After you determine an hourly rate including salaries and benefits, for each position, multiply it by the number of hours to determine a staff match.

2. Other Ingredients

Another common match source is other project components. These can make the project possible or enhance it.

To build the playground, you must clear the site and level the land. You also need to

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apply a ground cover, like mulch. For safety, your Board decides to fence the area.

Happily, a Board member also offers to personally pay for the fence. (In this case, you include the cost of the fence in expenses and a like amount, as an individual board donation, in income.)

You can also include project enhancements. These are related improvements you plan or have completed. For example, if the playground represents the next step in your plans to create a park-like setting at your organization, one possible match includes the funds needed to add a sidewalk from the driveway to the playground.

In this case, the value of the land is also a possible match. To assign a value, visit a real estate site, like Zillow. Find your property or one adjacent to it. Estimate the playground's square footage compared to your whole property and use this percent to estimate the land's value.

3. Volunteers

Besides the volunteers on the task force who will help with the playground's design, a landscape architect upgrades the plantings adjacent to the area. She charges you her cost of \$525 for the plants and donates her labor of \$1,500. In your application, you list the first expense as part of your organization's cash match and the labor as in-kind. (See the box to the right for definitions of in-kind and other terms.)

To estimate, the number of hours

the volunteers will work, use the same process suggested above for staff.

Estimating the value of their time, (if you don't have it from a vendor) is easy. Use the Independent Sector's rate. This rate changes annually and, is usually a year behind; the 2007 rate is \$19.51.

However, if your project involves skilled professionals, like doctors *working as doctors*, you can use the hourly wage by occupation charts on the U.S. Bureau of Labor Statistics' website to establish a rate.

4. Supplies

Almost all projects require supplies. Consider what you will need in copies, handouts, postage, writing utensils and other materials. If these are uncomplicated to price, they make great match. However, proceed cautiously, if your supplies are small and varied—documenting them will require a lot of time.

5. Overhead

Overhead includes audits, insurance, travel, building space and other items that are a cost of doing businesses and not included elsewhere in your expenses. While these have less donor appeal, many large grant donors will accept them.

To include overhead, you compare the size of your request to the organization's yearly expense budget. For each line item you use as match, you multiply this percent against its cost. For example, if your request equals 20 percent of the yearly budget and your audit costs \$10,000, use \$2,000.

6. Match to the Max

For grants where match is a critical evaluation criteria, to establish the maximum match, you can also include services provided to your customers either before, during or after yours. For instance, if The Salvation Army will provide extensive services

What's the Difference?

Match is associated with a collection of grant-ese words. Here is a quick review of their meanings:

Match: Any costs, beyond the money requested from the grant needed to make the project a reality.

In-kind: Match donations in lieu of cash, i.e., product or services from **other sources**. For example, if a roofer provides a \$1,000 discount for nonprofits, this provides an excellent match.

Direct Costs: Costs you encounter because of the grant project. For instance, the mulch for plantings in and around the playground area.

Indirect Costs: Costs that your organization would have, even if you did **not** do the grant. This is closely aligned with the concept of overhead. It can include proportionate expenses for audits, office space and utilities. Large institutions, like universities, negotiate an indirect cost rate with the federal government. If the rate is 44 percent, you determine the amount needed for the project, \$10,000, and then multiply the total by 1.44 and request \$14,400.

to prepare a family to be housed in your permanent housing, use these services as a match. Also, use staff hours from other agencies that serve your customers while they reside with you. To calculate this match, work with the specific agencies to document in writing their willingness to both provide it and, also, estimate its value.

Match: More than Money

Besides success with donors, what other benefits will your nonprofit enjoy by obtaining matching funds?

- **Additional support** for your organization. As you are developing your proposals, contact vendors. Ask if they would be willing to help *if* you get the grant. Many will say yes because of the *if*

involved.

- **True Cost.** The “Finding Match Exercise” helps you to identify your true project costs. “What does it really cost to offer this performance?” Asking your referral partners for their expenses, helps you to understand all the costs involved in achieving outcomes.
- **Drawing Outside the Box.** Finding match encourages you to identify and make connections to related activities. What else will you do that is related to this project?
- **Find Angels in the Details.** Most nonprofits will benefit by strengthening their documentation of volunteer support. By creating match documentation you will also create records that allow you to celebrate volunteers who provided “500 Hours of Service” and other milestones.

Be a Match Maker

There are lots of ways to play with matches. By projecting realistic, but conservative time and other estimates, your staff will find it easy to document the match during the funded project. Like Aaron, by planning ahead, you can light up your projects. with match.

Match Sources

- **Donated** goods and services
- **Cash** including individual donations, fundraisers and earned income. If your gala earns \$50,000; you can designate part of this income.
- **Other Grants.** Use these when you apply for and anticipate funds from a foundation or other granting agency.

staff and volunteers. An invoice works for in-kind. Printing out prices of similar items from the Internet suffices for equipment. (See the new Proven Results article at www.kedconsult.com for more details.) When the documentation is scanty, keep good notes on your calculations.

8. **Be Wise.** Match involves a judgment call. Donors are interested in true costs and true enhancements. What enhances the project in your donors eyes? What is a real contribution vs. a stretch? With these answers in mind, select your match.

Learn More

Do you want more free information? See www.kedconsult.com. You’ll find 60 **Proven Result** articles on team building, leadership, planning, money and grants. Read these new ones today: *Prove It– How to Document Your Match; Is It Worth It? A Ranking System to Determine If A Grant Source is Worth Seeking and Estimating Unknown Staff Expenses for New Programs.*

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KAREN EBER DAVIS

CONSULTING

P. O. Box 15464
Sarasota, Florida 34277
941-924-4860 (phone)
941-924-6153 (fax)
karen@kedconsult.com

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www.kedconsult.com

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Grant-Link: Match Tips, Avoiding Burns

You determine match by identifying “what else” needs to happen to bring a project to fruition. As always, follow any grant guidelines regarding match, but when they are few or nonexistent, use these tips:

1. **Select the Best.** You will probably not use all the match sources that exist for a project.
2. **Make it Easy.** Prefer match for items that are easy to document and substantial, i.e., choose an invoice listing an item valued at \$1,000
3. **One-to-One.** For most situations, a great match is one-to-one request to match funds. It is clunky to use a building to match a set of computers. The square footage of the room where the computers will be housed is more proportionate.
4. **A Bird in Hand.** You can tell donors about match you anticipate (“We will look for sponsors for the meals”) or about resources already in hand. Prefer those in hand.
5. **Step-by-Step.** You can use anything spent in the last two to three years related to a project as match. Therefore, room renovations can be completed via a series of requests, using the preceding and anticipated expenses as match.
6. **Budget Twice.** In your project budget, use the match both as an expense and income.
7. **Ready With Proof.** When you draft a request, plan how you will document the match. Timesheets work great for

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Money -tastic!

Tip of the Month

#2. The Back Flap of Envelopes

After visiting a congregation in Chicago I received a thank-you note in a legal size envelope. On it’s back flap, they had printed this simple question, “Have You Remembered Grace In Your Will?” You can add a similar planned giving reminder to your correspondence. This will help everyone keep your cause in mind and remind them of the importance of making a bequest.

Want more tips? Purchase your copy of *Grant-tastic* today. Order your copy at www.kedconsult.com, use the form on page 3 or order from Amazon.com.

