

Application Questions for Capital Projects

Organizational Capacity

1. What is your organization's mission?
2. What have you achieved in the past three years to advance your mission?

Your Project

3. Describe the project for which you seek funds. Please be specific about what will be in place that is not there now.
4. Describe the population that will benefit from this project. How many are financially needy?

Your Impact

5. Describe the impact you will achieve once you have completed the capital project. That is, what difference will this project make for your organization and the population with whom you work?

Tracking to Success

6. What is the timeline for your project? Define the most critical steps in design, choice, and implementation to ensure that the project is completed as specified within the proposed timeline and budget.
7. Within one year of completion, how will you know that the capital project has had the desired impact?

Ongoing Operations

8. What ongoing effects will this project have on your organization? If this project will increase your operating expenses, how will you pay for them?

Please visit www.kbr.org to submit an application.

POOR AND NEEDY DIVISION
Application Tips for *Capital* Projects

ORGANIZATIONAL CAPACITY

1. What is your organization's mission?

Tips: We see “mission” as what you are trying to accomplish. It describes the overall purpose of your organization. Your mission answers the question, "Why does the organization exist?" The best mission statements are short and clear. We are especially interested in how your mission gives you concentration and focus — discouraging you from taking on projects that are not related to your mission. If your organization is very large, for example a university, please provide the mission for the overall organization as well as the mission for the most relevant subgroup — that is, the department, division, or school.

***Example:** Helping Services, Inc. has as its mission the nonjudgmental support of alcoholic and drug-addicted homeless men and women who are committed to getting off the street, getting sober, and establishing positive and productive lives. The House of Hope was founded in 2001 as the third program of Helping Services, Inc.*

2. What have you achieved in the past three years to advance your mission?

Tips: Please know we are much more interested in how many people have improved their lives than how many people have been served. We do not equate growth or volume with achievement. Focus on the tangible human gains you have created for those you serve. We are less interested in how many new programs or projects you have started and more interested in what success your participants have achieved.

***Example:** Over the last three years, we have continued to be successful in getting alcoholic and drug-addicted homeless men off the street and into a stable situation. House of Hope has:*

- *Increased our graduation rate of moving men from initial sobriety to permanent housing from 20% to 33%.*
- *Worked with a local ecumenical church group to open a short-term, 30-day detox unit that doubles the capacity in the area.*
- *Been successful in securing HUD 811 funding for an 18-unit assisted living facility for clients who are permanently disabled.*
- *Developed a strong volunteer program in association with local civic groups that has cut our weekend operating costs by 35%.*

YOUR PROJECT

3. Describe the project for which you seek funds. Please be specific about what will be in place that is not there now.

Tips: We simply want to know what the improvement is — in terms of size (e.g., square footage), features, capabilities, or other attributes that apply. In some cases, the particular features of the project are critical to success. This is your chance to tell us what they are and thus make the case for the level of investment it will take.

***Example:** Helping Services, Inc. currently operates Hope House I and Hope House II, 18-month transitional apartment complexes, which serve a total of 150 men. We propose to open Hope House III, our first facility for homeless and addicted women.*

We have purchased a 50,000 square foot facility on Big Oak Street. After renovations are completed, the complex will contain 50 apartments. Twenty-five of the apartments will have one bedroom for single women. Twenty-five will have a second bedroom to accommodate women with children. The complex also includes community space that will be renovated to include group meeting space, two individual counseling rooms, two staff apartments, and administrative offices.

The request to the Trust is for furnishings and equipment for the new facility. This includes basic furnishings for the 50 resident apartments (75 bedrooms) and 2 staff apartments as well as office furniture for the group space, counseling rooms, and administrative offices.

4. Describe the population that will benefit from this project. How many are financially needy?

Tips: We are looking for a specific picture of the people who will be affected by this project. This may be everyone you serve if they will all use the new building or new equipment, or it may be just a portion of those people. If the capital project will only be used by some of those you serve, please give specific information about that group of people.

Any grants made by the Trust must benefit the financially needy. While other individuals may benefit from the project, grant amounts are awarded in reasonable proportion to the number of financially needy individuals who will benefit. For example, if 40% of the people who will benefit from the project are financially needy, the Trust will not fund more than 40% of the project.

It is critical that you estimate the number of financially needy individuals who are likely to benefit from your project. Common definitions of “financially needy” that are generally accepted by the Trust include: those living at or below 200% of the federal poverty level, those who are eligible for Medicaid, those who are uninsured, and those who qualify for the free/reduced school lunch program.

***Example:** A recent county survey by the Center to Prevent Homelessness found that there were approximately 400 people who were homeless and either staying in short-term shelters or living on the streets. Of these, at least 75% suffer from some form of chemical addiction. Many more addicted individuals are at risk of homelessness because of the strain it puts on the individual’s health, finances, and family relationships. The effect on the county and its residents is tremendous, with increases in crime, health care costs, and multiple and repeated uses of the social service and related nonprofit systems. Of the 400 homeless individuals, it is estimated that 150 are women.*

Hope House III will serve 50 women and up to 50 of their children at a time. The residents will be women who were homeless and addicted but are now sober and committed to residing in our 18-month transitional apartment complex. By homeless, we mean having lived the majority of the last 30 days on the street or in a short-term shelter. Although we have served only men in the past, the Center for Homelessness has identified an unmet need in the county for supportive housing for women. As an organization, we are ready to build on our success in serving homeless men by expanding our mission to also serve homeless women.

We project that our female residents will be similar in demographics to our male clients. All of our current residents are low income. Although it changes from time to time, more than 65% of our residents are white and between ages 35-55 with high school educations.

YOUR IMPACT

- 5. Describe the impact you will achieve once you have completed the capital project. That is, what difference will this project make for your organization and the population with whom you work?**

Tips: We are looking to achieve impact with our grant funds. Impact can happen in different areas. Typical areas include efficiency (e.g., lower operating costs), effectiveness (e.g., serve more people, accomplish more organizationally), and sustainability (e.g., increase revenues). Please be specific in each of the areas where impact will be felt.

We are interested not only in why this capital project is necessary but also how it will help you become a stronger organization. Be specific about levels of gain where you can. For example, tell us how much your utility bills will be reduced or how much time will be saved. Our advice is to link the project

to a result. For example, we are more interested in replacing a piece of equipment because the upgrade will allow for new services for clients, than simply because the current equipment is old. Capital projects that will ultimately increase self-reliance for those being served will be given priority.

***Example:** We will work with 50 residents at Hope House III. Currently, about 33% of the men graduate from the existing programs. We expect that it will take two to three years of operations to achieve that rate with the new program for women. To graduate from the program, a woman will have lived at least 18 months in Hope House III, secured a job and permanent housing, and made significant progress toward her counseling and other individual goals.*

TRACKING TO SUCCESS

- 6. What is the timeline for your project? Define the most critical steps in design, choice, and implementation to ensure that the project is completed as specified within the proposed timeline and budget.**

Tips: The timeline should include major milestones. Tell us not only what you will do but also what you have done to date — for example, tell us if you have already purchased the land for a new facility. Milestones for the timeline might include major regulatory approvals, groundbreaking, and occupancy for construction projects. Equipment projects should include expected purchase and installation dates. Indicate what, if any, additional staff will be necessary as a result of your project.

In addition to the basic timeline, we are looking for how you will determine if the project is on track. List all of the activities that are key to successful completion of the project. This can include both concrete steps related directly to the project (e.g., selection of contractor, groundbreaking) or other issues related to the management or implementation of the project (e.g., staff buy-in, continuation of services during renovation).

***Example:** We purchased the facility in January 2007 for \$1 from the county. It is the site of a former department store. We went through an extended community planning process with the neighbors and received planning commission approval in June 2007. We hired the same contractor that we used on our previous projects with great success. They have begun the work and expect to have renovations completed in December 2007. We will then be ready to furnish the facility and hire the remaining staff in January and February 2008. We have received quotes for the cost of the needed furnishings and have verified that items can be delivered within six weeks of placing the order. The facility will admit its first residents in March 2008.*

7. Within one year of completion, how will you know that the capital project has had the desired impact?

Tips: Consider the information or evidence you will use to verify whether the impact has been achieved. For example, if one impact of your project is to increase the number of individuals receiving a service, you will need clear numbers comparing those served before with those served after the completion of the project.

The Trust is more interested in the project's impact on your organization and the people you serve than in the fact that you built the building or installed the equipment. This impact is often not clear for some time after the completion of the project. Because of this delay in seeing results, the Trust generally asks for final reports on capital projects one year after completion.

***Example:** We will be verifying the impact of the program, using a number of ongoing methods similar to those we use for Hope House I and II. These will include:*

- *Monthly case reviews of all residents and their progress towards housing, job, and counseling goals.*
- *Weekly monitoring of the number of enrolled residents as well as the waiting list of pending residents until the program is consistently operating at full capacity.*
- *Monthly assessment of the referrals made to Hope House III — appropriateness of clients referred, relationship development with potential and existing referral sources.*
- *Monthly assessment of the success of referrals made by our staff for residents of Hope House III to other agencies.*
- *Continuous tracking of graduation rates by demographic, addiction and other variables — we will add gender-specific variables including whether residents lived at Hope House III with their child or children.*
- *Continued participation with the Center to Prevent Homelessness to monitor county trends for housing services, especially among women.*

ONGOING OPERATIONS

8. What ongoing effects will this project have on your organization? If this project will increase your operating expenses, how will you pay for them?

Tips: We understand that a capital project can affect your organization in many ways. For example, a larger building may lead to higher utility expenses and increased debt service. A new piece of equipment may bring higher maintenance costs. Tell us how you plan to handle these changes.

We also understand that not all effects are related to greater operating expenses. For example, a capital project might increase your visibility in the community, leading to more volunteers and donors — as well as more clients — for your organization.

***Example:** Based on our experience with Hope House I and II, this new apartment complex will be able to generate reimbursements that cover 80% of its operating costs through HUD funding and rent payments from the residents. However, rent payments will not reach their full capacity until the program has been in operation for one to two years because of the time it will take to initially fill all the apartments (projected at six months) and the fact that the women will not pay rent for their first six months in the program while they are stabilizing their lives and finding jobs. The remaining 20% of operating costs will be covered by agency fundraising. We have already had a positive response from our old donors about our decision to expand and begin serving women. This change has brought in new donors as well. We will build on our successful campaign to raise the funds needed to purchase and renovate the new facility in order to raise ongoing funds for the program. We also anticipate a reduction in overall expenses for the agency as we share some staffing and other resources across three similar programs.*

Application Budget Instructions

- Develop a complete budget for your operating program or your capital project. Include expenses by category and income by sources for the period you are requesting funds. If this is a multi-year request, please show income and expenses by year.
- You will be asked to attach a budget at the end of the online application process. Your budget file should be formatted to not exceed two pages when printed. If you need to summarize because of space limitations, you may submit an additional detailed budget to help Trust staff better understand your program or project. Because the advisory board will only see the information you provide in the main 1-2 page budget, do not use “See Attached.”
- Under your income sources, include the specific amount (or amounts by year) you are requesting from KBR. Do not lump our funds under a broader line item such as “Foundations.”
- If your application is for an operating program and therefore eligible for the additional 10% for indirect expenses, do not include the additional 10% in your request to KBR. This will be added by Trust staff when grants are approved.
- Indicate for which expense line items KBR funding will be used. Do not request KBR funds for indirect expenses.
- Be sure to check that your projected expenses and projected income balance.
- If any of your expense line-items would benefit from additional explanation, please provide the details at the bottom of the budget.
- If your budget includes additional grant funding (other than KBR funds), please indicate the ones that are pending by placing an asterisk (*) next to those income sources. Note at the bottom of the budget the likelihood of receiving these funds and the date by which you expect to learn of the approval/disapproval of funds.
- Again, your complete budget—including the listing of income and expenses as well as any explanation needed for other foundation funding or specific expense line-items—will be uploaded as one file as a part of the online application and should fit 1-2 pages when printed.
- Other than these instructions, there is no required format for the budget.

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July 2009

Kate B. Reynolds Charitable Trust

Capital Budget Example

Expenses	
Land	100,000
Construction	561,000
Fees	61,710
Equipment	75,000
Contingency on Construction	56,100
Total	\$853,810

Income	
In-kind (Donated Land)	100,000
Local Contributions and Fundraising	98,000
Agency Reserves	250,810
ABC Foundation	75,000
RST Foundation	80,000
XYZ Foundation*	100,000
Kate B. Reynolds	150,000
Total	\$853,810

Budget Notes: Expenses

Land - The land has been donated by a local citizen as his contribution to the project. The deed has been transferred to the Center.

Construction - The building will be a 5,100 sq. ft. building that will cost \$110/sq. ft. These costs have been secured from the contractor who will be building the structure. All permits have been secured.

Fees - This includes architect, engineering, and consulting fees.

Equipment - Equipment will be needed to equip the two new exam rooms and the two new offices. A complete list of the equipment is available. We will be going to the ABC Foundation for all equipment needs.

Contingency on Construction - This is the standard 10% added to the project to cover any cost over runs.

Budget Notes: Income

In-kind, ABC Foundation, and RST Foundation - All approved.

Agency Reserves - Approved by the Center's board.

Local Contributions and Fundraising - \$50,000 in hand.

*XYZ Foundation - Request is pending with notification expected September 1.

Kate B. Reynolds - These funds will be used for the construction line item.

Application Attachment Instructions

When completing your application online, you will be prompted to attach the following documents:

- **Project Budget:**
See separate application budget instructions.
- **Board list:**
A list of members of your board of directors. Please indicate the titles of the officers of the board.
- **IRS Determination Letter (non-governmental entities only):**
Copy of most recent IRS letter indicating current name and 501(c)(3) status.
- **Current Fiscal Year Organizational Budget (non-governmental entities only):**
Current fiscal year budget with a statement of year-to-date income and expenses.
- **Specifications Sheet (equipment purchases only)**

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July 2010