

Module 2

Chapter - 2

Preparing - Concept Notes, Proposals
& Budgets for Fundraising

Concept Notes

What are **Concept Notes** –

- Concept Note is the short expression of your project idea given to a donor to seek grants
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Why **Concept Note** –

- It is usually requested by the donor in situations where no proposals have been invited.
- Many donor agencies prefer to understand the project through a Concept Note rather than a full-fledged proposal, initially.
- It is the first expression of the project and gives the flexibility for the NGO to work and re-work on ideas before presenting the final full fledged proposal to the donor.
- Ideally, it should not be more than 3-4 pages, unless the donor agency has specific requirements.

Contents of **Concept Note** –

- Project title
- Brief background of NGO activities
- Project vision – whom you are targeting and why?
- Project scope – Stakeholder background
- Project targets
- Timeline and milestones
- Project management in brief
- Budget summary, if needed
- Contact details of NGO

What is a Grant Proposal

- It is a request for an investment in a non-profit or for-profit project, with a defined deliverable or end result for the money sought, that is carefully prepared, planned, and packaged.
- For Grantees (individuals or organizations giving the money), it's an investment in positive change.
- Many donors have their own formats which are to be filled by NGO's, some accept them in formats of NGO's seeking grants.



Grant **Proposals**

Points to be considered before proposal preparation –

- Background research of the donor, so as to understand the donor and their area of interest to support social cause,
- Understand what the donor is looking for, their guidelines clearly specify the eligibility criteria, format requirements, deadline, budgetary information, page limit, documents to be submitted etc.
- The past projects that have been funded,
- The number of projects being supported by specific donor agency.

Proposal topics –

- Proposal Title
- Proposal summary
- Introduction/overview of your business or organization
- Problem statement or needs analysis/assessment
- Project goals & objectives
- Project monitoring & evaluation
- Project budget.

Proposal Content –

- **Cover letter** - address your letter to a particular person, briefly state what your proposal asks for and summarize your program
- **Project title** - Should be appealing and provide the reader with a general idea of the project.
- **Organization background** – Briefly put your organizations details, start date, vision, mission, work done, achievements of the past projects, awards received
- **Executive summary** - Should briefly contain important points relating to the problem, solution, uniqueness of the proposal and the reason your organization is suitable to carry out such a project.

Proposal topics – (Contd.)

- **Project monitoring & evaluation** – Briefly include activity monitoring framework with responsible manpower, measurable targets, timelines.
- **Budget** - It should align with project activities and be able to justify for all the costs. Budget items should meet the funding agency's requirements and should have a narrative with the budget so as to explain various expenses.

- Complete contact details - Contact Information of the NGO: Address, Phone number, Email ID and name of Contact Person.

Why proposals fail

1. **Non-adherence to guidelines** - Most donors have a specific guideline for proposal submission, project theme, format and deadlines. Many NGOs do not read through the guidelines and submit their proposals without integrating the necessary instructions.
2. **Insufficient facts and data** - Your proposal is not a script or a story, but is a business document basis which your organization will receive funding, hence activities to be undertaken should be supported with relevant facts and data.
3. **Vagueness** - Proposals without properly describing the problem, target beneficiaries, objectives and activities, fail to make any impact on donors.
4. **Poor Presentation and errors** - Proposals which are lengthy, having spelling mistakes and grammatical errors will not create a good impression and will lead to failure.



Why proposals fail – (Contd.)

- **Proper evaluation or monitoring plan lacking** - Having an evaluation plan in the proposal makes your organization to be more accountable.
- **Submission after the deadline** - This leads to disqualification of your proposal acceptance.
- **Not directed towards the mission of the donor agency** – Leads to rejection of the proposal, if it does not match with the donor mission and objective of donor organization.
- **Incomplete Proposal/Documents** - Incomplete questions/sections of the project template, non-submission of documents (registration documents, 12A, 80G, FCRA etc.)

General tips to be followed -

Writing tips	Layout tips
Write simply and avoid jargon.	Use headings and sub-headings, but do so consistently e.g. all headings in one lettering or size, all sub-headings in another
Use short sentences.	Number your pages.
Use active rather than passive voice when you can (e.g. “specially trained project staff will run all training courses” rather than “all training courses will be run by specially trained project staff”).	Bind or staple the document in the right order
Check for spelling and grammar mistakes – if necessary get someone else to read it through and make corrections.	Use white space – have wide margins
Revise and rewrite if necessary.	Don't crowd the text
Don't exaggerate.	Use a font that is easy to read.
Write for a non-technical reader.	



Budgets -

What is a Budget ?

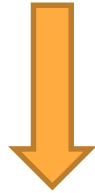
- It is a detailed document which specifies how much money you are going to spend, or in other words, it is also known as expenditure of your organization to implement your activities, during the course of the project tenure.

Important considerations for making a good budget –

- Breakdown of the **budget** should be item-wise and year-wise, cost calculation should be done.
- It should be ensured that costs are reasonable, allowable and related to the research proposal, so that the budget appears realistic.
- Travel expenses should be calculated as per the rules of the funding agency.
- Over or Under spending of money within limits are permitted by donors, subject to their guidelines.
- Organization has to take prior permission from donors, for any deviations in expenses as per budget heads finally approved by funding agency.
- Quarterly Utilization Certificates of expenses incurred in the project, duly audited and approved by CA, have to be submitted to the Donors timely.

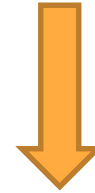
Major Components of a Budget –

Capital Expenditure (Capex)



Includes expenses for buying computers, office furniture, vehicles, office building, etc.

Operational Expenditure (Opex)



Includes costs involved in daily implementation activities of the project, salaries, organizing meetings, conducting trainings, workshops, running an awareness campaign

Sample format CAPEX

Sample Capital Expenses (CAPEX) heads -

Sr. No.	Budget Items	Details	Quantity Required	Unit Cost (INR)	Total Amount(INR)
1	Premises Rental	Security Deposit			
		Brokerage + Agreement Charges			
2	Leasehold Improvements	(Partitions, Flooring, Repairing, Accessibility of Premises, Disabled friendly Separate washroom for Boys/girls.			
3	Vehicles	Vans/mini buses			
4	Office accessories	Air Conditioners/Coolers			
		Projector			
		Fan / tubelights			
		Water Dispensor			
		Computers/Laptops			
		Almirahs			
TOTAL					-

Sample format OPEX -

Particulars	SALARY(Per Month)	Months	Year 1	Year 2	Year 3	Total
Human Resources/Salaries						
Project Director						
Project Manager						
Trainers/Other staff						
Office Assistant						
Accountant						
Monthly Expenditure & Utilities						
Office Rent						
Electricity /Water charges						
Official Travel & Accommodation						
Local Conveyance						
Printing & Stationery						
Repair & Maintaince						
Communication(Telephone,Broadband)						
Printing reports/pamphlets / banners, etc.						
Miscellaneous/Overheads						
Gross Total						
Admin Expenditure @5-10%						
Total						

Sample UC -

Receipt/Income

Name of Organisation				Currency		INR	
Project Name							
Project No.							
Project Period							
Reporting Period							

Budget Item No	Budget Item Description	Total Budget (1)	Budget Year To date (2)	Actual Receipt		Deviation of Actual from Budget (5)= (2-4)	Deviation % (6) = (5/2*100)
				Current Reporting Period (3)	Year to Date (4)		
				Amount (Rs.)	Amount (Rs.)		
1	Contribution from Donor						
1.1	Grant/Donation						
1.2	Interest						
	Sub Total 1						
2	Contribution from Other Donors						
2.1	Grant/Donation						
2.2	Interest						
	Sub Total 2						
3	Contribution from Beneficiaries						
3.1	Cash Contribution						
3.2	Measurable In-Kind Contribution						
3.3	Interest						
	Sub Total 3						
4	Partner NGO Contribution						
	Grand Total						

For Name of Org

For M/s Name of CA Firm
Chartered Accountant
FRN no. :

Signing authority Name & Sign.

CA. Name

Membership No.



Thanks!