



Capital & Capacity for Economic Recovery Program Overview and LOI Guidelines

Program Overview

This program is funded by the United States Department of Health and Human Services (HHS), Administration for Children and Families (ACF). It was created through funding for the American Recovery and Reinvestment Act (ARRA) Strengthening Communities Fund Nonprofit Capacity Building Program.

Purpose

NFF is administering the Capital & Capacity for Economic Recovery (CCER) program in order to build the capacity of organizations that address the broad economic recovery issues present in the five-county Philadelphia area, including helping low-income individuals to: secure and retain employment, earn higher wages, obtain better-quality jobs, and gain greater access to state and Federal benefits and tax credits.

Through the CCER program, Nonprofit Finance Fund (NFF) will award capacity building grants, ranging in size from \$15,000 to \$30,000, to nonprofit organizations located in the five-county Philadelphia area. Recipients of grant funding will also engage with NFF in comprehensive capacity building and training. All capacity building services are free and cost share is not required. All prospective applicants must attend a bidder's conference on December 17, 2010 held at the Free Library of Philadelphia's Parkway Central Library, 1901 Vine Street, Philadelphia PA¹. **Deadline for Letters of Intent is Friday, January 21, 2011 at 5:00 p.m. (EST).** *Additional requirements are detailed on Pages 11 and 12.*

Eligible Capacity Building Projects

Capacity building grants will allow nonprofit leaders to fund a critical capacity need as they work to deliver high quality services to their clients.

Grants will only be made for capacity building activities, and no direct services will be funded.

Examples of direct services include: *provision of* job counseling by a full time staff member, purchase of supplies and materials for a literacy program, or a program's annual fundraising event.

- Financial assistance cannot be used to provide medical services, direct services, direct fundraising activities (e.g., actual grantwriting, solicitation, events), or construction activities. Purchase of real property is not an allowable activity or expenditure.
- Organizations will not be discriminated against on the basis of religious character or affiliation, but grant funds *may not* be used to support religious activities (i.e., if a technical assistance recipient provides programs or services that include inherently religious activities, then such activities must be separate in time or place from the programs or services that the organization is seeking to improve through CCER.)
- Funding cannot be used to build capacity of organizations or programs located outside of the five-county Philadelphia area. Please refer to the full list of eligibility criteria included in these guidelines.

¹ Note: Organizations that attended the CCER Bidder's Conference for Cycle 1 in March of 2010 **are required** to attend the Bidder's Conference for Cycle 2 in order to be eligible to apply for Cycle 2 funding. There will be no credit given for attending the Cycle 1 Bidder's Conference in Cycle 2.

The following chart shows the five focus areas addressed in the CCER program, with *examples* of appropriate capacity building activities in each area. These examples are only meant to serve as a guide, and proposed projects may include a much broader range of activities. Each applicant is encouraged to submit a request that best meets its own organizational needs and priorities.

Capacity building grants will be made in the five areas outlined below:

Critical Capacity Building Area	Examples of Appropriate Capacity Building Projects
Area 1: Organizational Development	<ul style="list-style-type: none"> ▪ Building financial systems capacity through purchase of computers or appropriate financial management software ▪ Developing systems: management, human resources, financial, information technology, planning ▪ Developing comprehensive communications strategy
Area 2: Program Development	<ul style="list-style-type: none"> ▪ Development of stronger information systems to link constituents to ARRA and other state and federal benefit programs ▪ Translation of program materials into languages spoken among the organization's constituency ▪ Developing curriculum (e.g., job retraining, new job skills) ▪ Making program improvements (no bricks and mortar)
Area 3: Collaboration & Community Outreach	<ul style="list-style-type: none"> ▪ Disseminating information regarding state/local ARRA benefits ▪ Developing referral systems related to ARRA benefits ▪ Forging collaborations/strategic partnerships with community colleges or vocational schools, industry-specific training programs, or other agencies in the organization's service area ▪ Conducting research on local sector workforce needs
Area 4: Leadership Development	<ul style="list-style-type: none"> ▪ Board Development / Specifying board composition and function ▪ Contributing to staff professional and career development ▪ Training and development of volunteers ▪ Development of a succession plan
Area 5: Evaluation of Effectiveness	<ul style="list-style-type: none"> ▪ Launching a formal program evaluation ▪ Developing and incorporating new program measures ▪ Incorporating best practices ▪ Assessing program outcomes ▪ Replicating effective program models

CCER Program Requirements: Group Training

Successful grant applicants are required to participate in NFF's CCER Program. As one component of the program, organizations are required to participate (free of charge) in a five-part capacity building workshop series.

	Training approach	Hours of training	Training topics
Area 1: Organizational Development	NFF will offer its financial capacity building workshop, <i>Linking Money to Mission</i> , as an in-person group training.	The workshop is 6 hours long.	Topics include interpreting financial statements and clarifying the organization's core business characteristics. Participants will be asked to bring their organizational financial statements for a post-workshop individual consultation.
Area 2: Program Development	NFF will offer its financial capacity building workshop, <i>Growth in the Nonprofit Sector: Achieving Impact and Stability</i> , as an in-person group training.	The half-day workshop is 3 hours long.	Topics include: different types of growth (and the risks inherent to each); funding and financing strategies; and overall culture change as it relates to the roles of staff and board, financial reporting, performance measurement, and stakeholder communication.
Area 3: Collaboration & Community Outreach	NFF will offer its financial capacity building workshop, <i>Nonprofit Strategic Alliances</i> , as an in-person group training.	The half-day workshop is 3 hours long.	The training better positions social service agencies to form strategic partnerships and address the fragmented service delivery system in high need areas. The workshop will demonstrate the many ways that social service nonprofits can partner, from program collaborations to back office cost-sharing.
Area 4: Leadership Development	NFF will offer its financial capacity building workshop, <i>Managing Through a Downturn</i> , as an in-person group training.	The half-day workshop is 3 hours long.	The training offers nonprofit managers guidance on leading their organizations in a challenging economic environment. Topics covered include: practical scenario planning and modeling; development of smart, strategic responses; revenue and expense considerations; and the role of the executive director and board in leading a nonprofit through a recession.
Area 5: Evaluation of Effectiveness	NFF will offer a group, in-person workshop covering the basics on a broad range of evaluation activities.	The half-day workshop is 3 hours long.	Topics will potentially include: 1) evaluation for learning approach; 2) evaluation planning & design; 3) logic model development; 4) data collection tools, methods and processes; 5) basic data analysis; 6) reporting, disseminating and using evaluation findings as a planning, decision making and capacity building tool.

CCER Program Requirements: Individual Technical Assistance

Successful grant applicants are also required to engage with NFF one-on-one, to create a customized outcomes plan and receive technical assistance to build capacity in **three** of the five areas described below.

Capacity Building Area 1: Organizational Development

<p>Technical Assistance approach</p>	<p>Organizations will receive a baseline financial analysis that will broadly outline the organization's key financial characteristics and diagnose underlying financial health.</p> <p>For organizations with significant financial capacity needs, NFF will develop a report, with clear graphic and narrative explanations, that provides detailed financial recommendations and next steps.</p> <p>To implement these recommendations, NFF will then choose site-specific financial management tools, as appropriate. Tools may include facility project cost guidelines or cash flow analysis. Each tool is customized to meet individual grantee needs, as determined by factors such as: budget size, mission-focus, financial condition, capacity constraints and long-term goals.</p>
<p>Hourly commitment for Technical Assistance</p>	<p>Organizations building capacity in this area should expect to devote the time of 4 - 6 staff and board members, at a 4 hour in-person meeting and 2 - 4 brief phone meetings.</p>

Capacity Building Area 2: Program Development

<p>Technical Assistance approach</p>	<p>NFF will work with organizations that have been awarded new government contracts or are seriously considering program growth, to help them thoughtfully consider and prepare for the effects that these changes will have on the organization's capacity as a whole.</p> <p>Through NFF's Program Profitability Model, staff can help nonprofit management understand the revenue and expense dynamics of each major program and determine which programs are operating at a profit or loss. By working one-on-one with an organization's leadership and board, the Program Profitability Model offers a clear framework to: prioritize programs within a long-term strategic plan; tackle operating deficits; identify cost savings that may have minimal negative impact on programs; enlist the help of key stakeholders in improving finances; and ultimately balance money and mission.</p>
<p>Hourly commitment for Technical Assistance</p>	<p>Organizations building capacity in this area should expect to devote 1 - 2 staff members for 10 - 15 hours.</p>

Capacity Building Area 3: Collaboration and Community Outreach

<p>Technical Assistance approach</p>	<p>NFF will gather information about each organization’s programs and their community partnerships, if any. Since all programs and activities ultimately impact financial stability, NFF will provide one-on-one T/A to organizations examining the viability and effectiveness of their programs and collaborations as it relates to economic recovery in their communities.</p> <p>NFF will also coach organizations on the context of possible new community alliances and help them assess various types of formal and informal relationships that may directly benefit their client base.</p> <p>One tangible way this can be achieved is through active information-sharing through NFF’s CCER online community. NFF will convene and facilitate this online community of social service agencies in Southeastern Pennsylvania. All subawardees will be required to participate in the online network, and other workshop attendees will be invited to participate.</p> <p>The social network will allow participating agencies to publicize the programs they provide and the neighborhoods they serve—potentially informing and linking agencies to nearby community resources. NFF will moderate discussion boards, post helpful resources and promote partnership opportunities through the forum.</p>
<p>Hourly commitment for Technical Assistance</p>	<p>Organizations building capacity in this area should expect to devote 1 - 2 staff members for 5 hours.</p>

Capacity Building Area 4: Leadership Development

<p>Technical Assistance approach</p>	<p>Strong leadership from the board of directors is critical to an organization’s decision-making process. To make good decisions, nonprofit leaders need accurate, up-to-date, and clear financial information. In many cases, however, a nonprofit’s board does not understand or is not aware of the organization’s true financial position. NFF creates financial transparency by presenting a clear analysis of the nonprofit’s financial health to the board.</p> <p>To make lasting changes, NFF can also assess the organization’s board and management reporting packages, such as cash flow projections, budget vs. actual reports, and revenue and expense projections. NFF can then help the organization to determine which reports are most useful for its effective management and governance, and work with leadership to improve these reports for planning, decision-making and communications purposes. Ultimately, board members gain a better sense of how the board’s fiduciary role impacts a nonprofit’s sustainability.</p>
<p>Hourly commitment for Technical Assistance</p>	<p>Organizations building capacity in this area should expect to devote 2 hours of a full board meeting, and 15 hours for 1 - 2 staff members.</p>

Capacity Building Area 5: Evaluation of Effectiveness

Technical Assistance approach	<p>Every organization participating in the CCER program will receive an organizational assessment (as a required step in Phase II of the application process) using NFF's online organizational assessment tool. For each organization, this assessment will outline a plan for addressing key capacity and effectiveness issues.</p> <p>In addition, organizations that receive technical assistance in this area will participate in an intensive multi-day Program Evaluation Training.</p> <p>The purpose of these training sessions is to walk organization leaders through a process of developing an evaluation plan, including a logic model, evaluation design, and methods and identification of data collection tools. Homework will be assigned between each session. This combination of trainings and homework lead to an end product of an evaluation plan for the participating organizations.</p>
Hourly commitment for Technical Assistance	Organizations building capacity in this area should expect to devote 2 staff members for 20 hours (including prep and homework).

Intended Outcomes of CCER Program

With poverty rates exceeding 40% in some neighborhoods and unemployment rates nearing 11%, the five-county Philadelphia area demonstrates need for a range of social services. Yet, the agencies that provide these services are often in jeopardy themselves. Financial and capacity challenges worsen during a recession, in the face of government cutbacks and decreased private funding. Yet, this is when social service providers are asked to increase their services. This environment forces leaders to make difficult business decisions that can undermine program quality and positive outcomes.

Through this program, NFF will assess each nonprofit's needs and organizational capacity through a competitive RFP process and award \$600,000 in financial assistance to 20 – 30 social service agencies. Following the award of financial assistance, NFF will provide comprehensive individual and group capacity building training to all grantees.

Through this approach, NFF's intended outcome of the CCER program is to build the capacity of organizations doing critical economic recovery work in their communities (for example, helping low-income individuals to: secure and retain employment, earn higher wages, obtain better-quality jobs, and gain greater access to state and Federal benefits and tax credits.)

NFF will review a number of indicators when evaluating the success of this program, including the number and percentage of organizations that:

- Improve management's knowledge and skills in the effective operation of social service organizations and programs
- Implement management and organizational improvements
- Expand and enhance social services to help individuals secure and retain employment, earn higher wages, or obtain better-quality jobs
- Expand and enhance social services to address individuals' access to State and Federal benefits.

Applicants should describe the intended outcomes of their project in these terms. For example, an acceptable outcome for a proposed capacity building project could include:

- As a result of the improved communications strategy, XYZ Center will have implemented an important organizational improvement. Further, through improved outreach and marketing addressed by the plan, XYZ center expects to serve 50 more individuals per year.

Eligible Organizations

Nonprofit organizations receiving financial assistance and/or technical assistance must have at least one substantial secular social service program that will directly benefit from this program. In addition:

- Organizations must be located in the five-county greater Philadelphia area of Bucks, Montgomery, Delaware, Chester and Philadelphia counties.
- **Priority for financial assistance** will be given to organizations that have organizational budgets under \$500,000, and/or can document they are working with agencies responsible for administering the ACF TANF program (Temporary Assistance for Needy Families).
- Organizations must provide no less than three to five years of financial statements. Financial statements must be in the form of audits, IRS Form 990s, or internal end of year statements. (If internal statements are provided, statements should be consistent in format and presentation from year to year.)
- While an applicant must be a nonprofit organization, there will be no requirement that applicants have 501(c)(3) status or identify a sponsoring organization with 501(c)(3) status to serve as its fiscal sponsor. Acceptable proof of nonprofit status includes:
 - A certified copy of the organization's articles of incorporation or similar document that clearly establishes nonprofit status.
 - A reference to the applicant organization's listing in the IRS's most recent list of tax-exempt organizations described in the IRS Code.
 - A copy of a currently valid IRS tax-determination letter indicating the organization is exempt from federal income tax (i.e., 501C status).
 - A statement from a state taxing body, state attorney general, or other appropriate state official certifying that the applicant organization has nonprofit status and that none of the net earnings accrue to any private shareholders or individuals.
 - Any of the items in the subparagraphs immediately above for a state or national parent organization and a statement signed by the parent organization that the applicant organization is a local nonprofit affiliate.
- Organizations must have a current / active DUNS # and CCR to be a recipient of CCER funding. The D-U-N-S 9-digit number assignment is FREE for all organizations required to register with the US Federal government for contracts or grants. For more information visit: <http://ccr.dnb.com/ccr/pages/CCRSearch.jsp>.
- CCER has three distinct capacity building components. Successful applicants will receive grant funding as part of this larger capacity building program which includes as an equal part: training and technical assistance. After funds are awarded for the proposed capacity building project, grant recipients will work with NFF to develop a customized outcomes work plan that aims to build capacity in three of the following areas: organizational development, program development, collaboration and community outreach, leadership development, and evaluation of effectiveness. Successful applicants must also commit to attending every session of the CCER five-part workshop training series.
- There will be no requirement for financial assistance applicants to provide matching funds. No preference will be given to applicants in the selection process if they offer matching funds in their applications.
- Organizations that partner with NFF to deliver technical assistance, or provide part or all of the cost share for the proposed project, are not eligible for grants. Further, no Federal funds will be used to provide contracts to an organization or consultant who has contributed with cost share/in-kind.

- NFF will not provide recipients of a financial assistance award a second financial assistance award for the duration of the funded period. In addition, recipients of SCF financial assistance from OIC of America, Inc. during the 2009-2011 SCF program period are not eligible for CCER financial assistance.
- If a technical assistance recipient provides programs or services that include inherently religious activities, then such activities must be separate in time or place from the programs or services that the organization is seeking to improve through SCF.

Unacceptable uses of financial assistance:

- Building capacity of organizations/programs outside of the five-county greater Philadelphia area.
- Capacity building for programs that are entirely faith-based in nature, with no secular component.
- Provision of direct services, direct fundraising activities, medical services, or construction activities.

Contact Information

If your organization has questions regarding any aspect of the CCER program (application process, grants, or the technical assistance and training to be provided), please send questions via email to:

Sam Harrell

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Nonprofit Finance Fund
1608 Walnut Street, Suite 703
Philadelphia, PA 19103

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nonprofitfinancefund.org

Application Process Overview

The application process for the Capital & Capacity for Economic Recovery (CCER) program will have two phases. Phase I is a Letter of Intent (LOI) process, which will allow all interested parties to submit a 2-page letter outlining their proposed project and verifying that their organization meets key eligibility criteria. This serves as a preliminary screening, and from this group, the 20 top scoring applicants will then be invited to submit comprehensive, detailed applications.

A public bidder's conference will be held to clearly define the types of organizations who will be competitive in receiving this technical and financial assistance. The bidder's conference will also review the CCER program's technical assistance and training requirements for agencies that successfully receive funds. **Attendance at the conference is mandatory for applicants.**

Phase II will be a comprehensive application for funds and technical assistance. The Phase II RFP will require organizational information, financial history, detailed project information, and completion of NFF's organizational assessment tool.

CCER is announcing its 2nd and final round of funding, training and technical assistance opportunity. Please note the following important dates:

Key Dates: Cycle 2

November 17, 2010	Program Overview and LOI Guidelines released
December 17, 2010	Mandatory bidder's conference
January 21, 2011	Letter of Intent due in the NFF Philadelphia Program Office (1608 Walnut Street, Philadelphia, PA) by 5 p.m. EST; no postmarks; no exceptions). LOIs must be in hard copy form only. Electronic submissions will not be accepted.
February 21, 2011	Applicants notified of Phase I decision
February 21, 2011	Phase II: NFF requests full proposals from eligible applicants
March 21, 2011	Phase II completed proposals due
April 25, 2011	Applicants notified of Phase II decision
May 2011	Funding awarded, new grantee orientation, outcome measurement plans developed
June 2011	Individual capacity building and group training begins
November 30, 2011	Individual capacity building and group training completed
December 31, 2011	Post-CCER organizational assessment
December 31, 2011	Final CCER report due

Phase I: Letter of Intent

All potential applicants to the CCER program must attend the bidder's conference and submit a Letter of Intent (LOI) to NFF by due in the NFF Philadelphia Program Office (1608 Walnut Street, Philadelphia, PA by 5 p.m. EST; no postmarks; no exceptions). LOIs must be in hard-copy form only. **Electronic submissions will not be accepted.**

The LOI must not exceed two pages and must include the detailed information under the following headings:

- Brief introduction of the organization, including: mission, year founded, location and area served
- Description of the capacity need (organizational and program challenges) faced by the organization
- Description of proposed capacity building project and rationale for undertaking it at this time
- Timeline for the project including current status²
- Anticipated cost of project and amount of grant request
- If applicable, possible consultant(s) that will be carrying out the proposed work³
- Intended outcomes of the project (see "Intended Outcomes" section for further clarification)

Each Letter of Intent will be scored based on the Letter of Intent Rubric (page 13). This should be used as a guide when developing the LOI.

Required Attachments

- Organizations must provide at least three (but preferably five) years of previous financial statements. Financial statements must be in the form of audits, IRS Form 990s, or internal end of year statements. If internal statements are provided, statements should be consistent in format and presentation from year to year.
- While an applicant must be a nonprofit organization, there will be no requirement that applicants have 501(c)(3) status or identify a sponsoring organization with 501(c)(3) status to serve as its fiscal sponsor. Acceptable types of proof of nonprofit status include:
 - A copy of a currently valid IRS tax-exemption certificate.
 - A reference to the applicant organization's listing in the IRS's most recent list of tax-exempt organizations described in the IRS Code.
 - A copy of a currently valid IRS tax-exemption certificate.
 - A statement from a state taxing body, state attorney general, or other appropriate state official certifying that the applicant organization has nonprofit status and that none of the net earnings accrue to any private shareholders or individuals.
 - A certified copy of the organization's certificate of incorporation or similar document that clearly establishes nonprofit status.
 - Any of the items in the subparagraphs immediately above for a state or national parent organization and a statement signed by the parent organization that the applicant organization is a local nonprofit affiliate.
- A signed copy of the attached preliminary Memorandum of Agreement, stating that the organization will commit staff time to engage in a three-part individual capacity building program. After funds are awarded for the proposed capacity building project, grant recipients will work with NFF to develop a unique

² Timelines must include a side-by-side listing of the activities to be completed and the projected dates the activity will be completed by during the period of CCER funding. Indicate the current status of the project (i.e., has not started, is less than 50% completed, etc.)

³ If using consultants or vendors, please include as an attachment to the LOI, three (3) bids/cost estimates per consultant or vendor. The document must show their proposed scope of work and estimated costs.

outcomes work plan that builds capacity in three of the following areas: organizational development, program development, collaboration and community outreach, leadership development, and evaluation of effectiveness. Successful applicants will also commit to attending a five-part workshop series.

- Board approved organizational budget for current fiscal year
- Listing of board of directors (***please do not provide board member affiliations***)



Letter of Intent (LOI)
Rubric

Organization name:

Scored by:

Date:

Verify each by checking yes or no	Yes	No
The organization is implementing program(s) that address the broad economic recovery issues present in their communities		
Organization is located in the five-county Philadelphia area		
Organization attended the bidder's conference		
Applicants must be a nonprofit, although 501(c)3 status is not required		
Organization provided a signed MOA stating willingness to engage in technical assistance and group training		
Organization is not partnering with NFF to deliver T/A		

If answer is "no" to any question, application will not be scored.

If answer is "yes" to all questions, proceed to rank LOI in the following categories:

	Points Possible	Points Received
The organization provided minimum of 3 and maximum of 5 years of financial history	5 (based on # of years of history provided)	
The organization is proposing a clearly defined capacity building project	5	
Demonstrated need for proposed capacity building project	3	
Clearly defined / realistic project timeline	2	
Clearly articulated outcomes, provided in the requested format	5	
Subtotal	20	
BONUS POINTS: The organization is considered "grassroots" (i.e. annual budget does not exceed \$500,000)	2	
BONUS POINTS: The organization documents that it is working with agencies responsible for administering the ACF TANF program	1	
TOTAL	23	