


GRANT MANAGEMENT AND DONOR RELATIONS

Financial Management Training Module 3 of 4

MINISTRY OF LOCAL GOVERNMENT AND
PROVINCIAL COUNCILS

GOOD GOVERNANCE FOR LOCAL DEVELOPMENT
SLILG

GRANT MANAGEMENT AND DONOR RELATIONS

Financial Management Training Module 3 of 4

2008

MINISTRY OF LOCAL GOVERNMENT
AND PROVINCIAL COUNCILS

CONTENTS

PREFACE

The Asia Foundation (TAF) implemented the Transparent Accountable Local Governance (TALG) Program with financial support from the United States Agency for International Development (USAID) from January 2005 - September 2007. The Foundation's main counterparts were the Ministry of Local Government and Provincial Councils and the Sri Lanka Institute of Local Governance. The International City/County Management Association (ICMA) and Environmental Management Lanka (EML) provided additional technical assistance and support.

The TALG Program developed a number of training modules and publications as part of its institutional strengthening programme for Local Authorities (LAs) in Sri Lanka. Each of the TALG training modules was used to train officials in thirty-five Local Authorities in Southern, Eastern, Central, North Western, North Central and Uva provinces. These were very successful in promoting effective, transparent and accountable local governance. Preparing the training modules was a painstaking process and support from the Australian Agency for International Development (AusAID) enabled The Asia Foundation to complete and publish this and the other publications in the series.

INTRODUCTION

Through the interventions made by the Foundation for the betterment of the Local Governance system in Sri Lanka, publications were developed in the following areas:

- Citizen Participation
- Local Planning
- Service Delivery
- Financial Management
- Policy and Regulations

These publications range from one-page documents of Leading Practices to Training Modules. Major categories of the publications are:

- Training Modules
- Guidebooks
- Reports and Documents
- Video Films
- Computer Applications

TALG developed many training modules mainly in the areas of Financial Management and Service Delivery. **Grant Management and Donor Relations** is Training Module 3 under Financial Management Training. Other training modules in the series include:

Module 1: Financial Reporting and Cash Management

Module 2: Revenue Enhancement

Module 4: Office Management

Users should note that there are a range of TALG publications including Technology of Participation and Resource Directory for Local Authorities that can be used by LAs to create an enabling environment for performing better financial management.

About this Training Module

Module 3: Grant Management and Donor Relations

This module, Grant Management and Donor Relations, is based on previous training sessions conducted under TALG. The training sessions covered all the necessary information required by Officers of the LA in procedures and activities of Grant Management and Donor Relations. This training assisted LAs to identify donors, develop grant proposals and manage received grants effectively.

What is Inside this Module

These TALG training modules can be used by different users, ranging from beginners to practitioners, and from those working in LAs to those working as partners with LAs. This publication contains all of the resources required by trainers to deliver a two-day workshop in Grant Management and Donor Relations.

Stage 1: Learning materials and exercises on the pre-proposal stage of obtaining a grant.

Stage 2: Learning materials and exercises in identifying donors and developing a grant proposal.

Stage 3: Learning materials and exercises in submitting a proposal and administering the grant.

A CD is provided with this training module, which provides a 'PowerPoint' version of the reference materials that can be used during the training workshop.

The Main Objectives of this Module

- To provide guidance to the officials responsible for grant management for LAs in Sri Lanka.
- To provide knowledge, skills and tools to implement grant management activities in a systematic manner.
- To assist LAs to deliver efficient and effective services, by ensuring better grant management.
- To assist LAs to adopt new methods and techniques in grant management.

How to Use this Module

The resources in this publication may be used:

- To enhance knowledge in this specific topic.
- To share the knowledge with others.
- To support a training programme and awareness campaigns.
- To improve the existing system and performance monitoring.

Learning materials will provide guidance to all decision-makers and staff of the LA who are involved in grant management activities.

SESSION 1: GRANT-MAKING AND THE STAGES OF GRANT-MAKING

Summary

This training session will present the process and procedures for developing and writing a grant proposal enabling LAs to obtain additional funding to address their priorities. Too often, grants are awarded to organizations, not on where the need is greatest, but on the basis of which organization can write the best grant application. This workshop is designed to help you and your LA improve your grant seeking skills and thus increase your chances of receiving a grant.

Key Points

- Grants are important tools that allow LAs to meet the demands of their community by providing funds for specific or general projects.
- It is important to define the LA's grant policy before applying or administering any particular grant.
- This session will describe three stages of grant-making, (1) the pre-proposal writing stage, (2) finding donors and proposal development stage and (3) the submission, follow-up and grant administration stage.

Definitions

GRANT is a financial award made by a funding agency to a grantee to support a project or other work. The grant is usually sought by the grantee through a proposal or application made to a funding or donor agency. LAs seek grants in order to obtain additional funding for priority projects.

PROPOSAL is a written document that provides a detailed description of a project's objectives, activities, methods, operating plans and budget. A proposal is sometimes referred to as an application, particularly in cases where the funding agency requests that the proposal be submitted on its own application form.

APPLICANT or **PROPOSER**, is an organization whose staff have written and will manage the project. This may be a small community-based agency, such as a non-profit organization, or it may be a unit within a larger organization such as a department or programme within a LA.

HOST AGENCY is a larger organization that provides the organizational and administrative home plus support to a smaller programme that is applying for grants.

FUNDING AGENCY or **GRANTOR**, is a governmental or private sector organization that has grant funds to distribute.

Benefits of Receiving Grants

The most important benefit of successful grant-seeking is the additional money made available to address priority problems and concerns facing an organization. Grants can help solve a problem faced by a community or help meet the objectives of a proposed project. Further, it can help leverage funds that may already be under consideration for a particular area of priority need.

Often a grant will require some kind of match funding from the recipient organization, and by using these funds together with a grant, the overall resources will increase. There are also secondary benefits. Developing a grant proposal is a substantial undertaking that requires weighing up alternatives and careful thought and this process can help build agreement on difficult issues. Involving members of the community and the business sector in the development of a grant project will assist in focusing attention on wider issues that need to be addressed by the LA.

There are also organizational benefits of simply going through the grant-seeking process. The process can develop staff skills and expertise, which can be applied to other grant-seeking opportunities. Successful management of the grant project, with meaningful results, can be satisfying and rewarding to the individuals involved in the process. They, as well as the organization, rise in stature among their peers.

Grant Policies

As discussed in a previous LA training session, Revenue Collection policies are important because they put a LA on record regarding the most important issues facing the community. LA officials should make clear that revenues should be managed professionally, efficiently and effectively. This is also true in the area of seeking grants. LA officials should make clear under what circumstances LA staff should seek grants and the overall process that will govern such efforts. Below are some suggested policies in this area.

- Grants will be applied for on the basis of the LA's needs and priorities rather than funds available.
- The Council of the LA will approve grant applications.
- Budgets on all grant applications will be reviewed and approved by the financial officials of the LA.
- Staffing/benefits requested in grant applications will be reviewed and approved by the managers of the LA.
- All written and personal contacts with funding agency personnel will be approved in advance by the LA manager.

Three Stages of Grant-Making

A systematic approach can simplify and streamline the process for obtaining a grant. There are three distinct stages in pursuing and receiving a grant, which we will discuss throughout this training session. They are, (1) the pre-proposal stage, (2) finding donors and proposal development stage and (3) the submission, follow-up and grant administration stage.

STAGE 1

SESSION 2: PRE-PROPOSAL: WHAT DONORS ARE LOOKING FOR

Exercise

Assessing my LA Situation

Summary

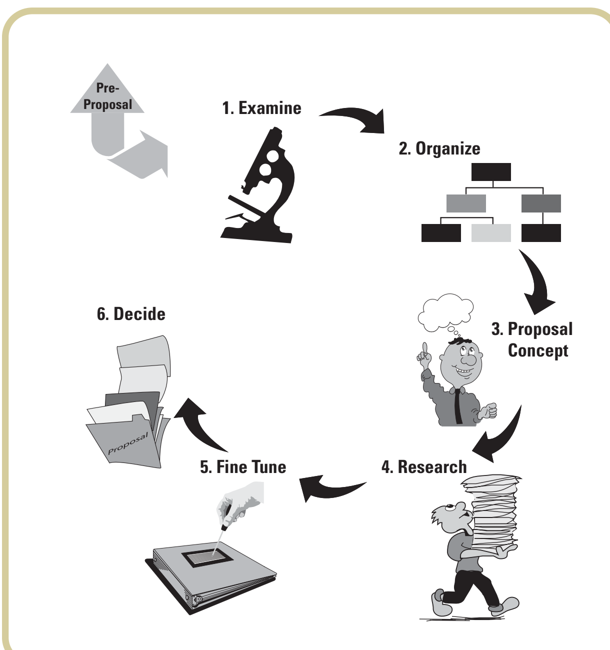
It is important to prepare your LA to be able to apply for grants from donor organizations. While donors have money to award, especially in post-tsunami Sri Lanka, they are looking to work with well-run, organized LAs. The grants that donors award are given for a specific purpose and conditions may be attached. LAs that are well organized and can impress donors with their abilities are more likely to receive donor funds.

Key Points

- It is vital that LAs be well prepared and organized prior to applying for grants from donors. This preparation is key to winning donor support.
- A LA should set goals for itself and its community and involve its citizens in this process. The LA can then begin looking for donors to support these goals.
- A LA should decide how to administer grants received by donors.
- A LA should thoroughly research its funding sources and donors to support the goals the community has determined.

Stage One: Pre-Proposal

The approach we have used for the pre-proposal stage consists of six steps. Each of the steps is described in detail below.



Step 1: Examine the Government Goals/Establish Project Needs

Check Yourself First

Before a LA considers applying for a grant, they need to make sure they have a successful story to tell. Donors will not consider awarding grants to LAs that have a poor record of accounting for their funds. This means completing monthly financial reports and producing annual accounts. Further, the LA needs to be able to demonstrate that it has a well thought out plan and that adequate preparatory work has been carried out to ensure the project will be successful. Finally, the LA will need to demonstrate that it has the necessary skills, capability and history of successes in a) making change happen in their communities and b) completing projects in accordance with plans, budget and schedule.

Goals of Community

The best place to identify the highest priorities for seeking grant assistance is from a LA's goals for the short-term, long-term or from its participative service improvement plan. Top administrators and/or policy makers can use these goals as a starting point for generating ideas for potential grant-supported projects that are acceptable to the Council and community. Staff can also be asked to submit ideas for grant-supported projects that are consistent with their department's priorities and mission. There is a temptation to identify grant money and then develop grant proposals to match the funding. This approach is a serious mistake because it makes the priorities of the donor more important than the priorities of the community. Proposals should be based on priority needs. That is, they should reflect important LA or community needs identified by an assessment of local conditions. It is important to remember that grant-supported projects have costs associated with them. Among these are staff costs for developing and writing grant proposals, administrative and policy demands on the government to administer the project and any match funding that might be required as a condition for receiving the grant. In addition, there are opportunity costs, namely 1) staff working on proposals are not available for other projects of equal or higher priority and 2) if a grant/contract has been awarded by a donor for a particular project, then this might jeopardise funding from remaining donors for other projects within the LA. In short, the primary consideration for deciding whether to proceed any further on grant development efforts should be a) whether a proposed project will contribute to the solution of an important government or community problem and b) how dependent the project is on outside funding.

Be Prepared and Share Successes of your LA

When awarding grants, a donor agency will consider the capacity of the LA to handle the funds. By this we mean that a LA is able to prove they are capable of doing a good job and that the grant is used for its intended purpose.

These success stories include:

Maintaining Accurate Financial Records

By maintaining accurate, up-to-date financial records, you are showing potential donors that you have the ability to properly account for your finances. This includes knowing how much money you have in the bank, showing donors how much money you collect on a monthly basis, knowing where your tax revenues come from and knowing your top three or four sources of revenue. If you are able to show donors these things, they are more likely to trust you with their money.

Track Record of Completing Projects

One of the main reasons donors award grants is to help the people of Sri Lanka. Donors need to know that the money given to the LA is actually being used to help Sri Lankans. The way you prove this to them is by showing them projects that are concrete and real. If you have completed projects, even small projects like organizing your LA office or building a new library, then donors will know you are serious about completing work. Donors will not give money to LAs who 1) cannot complete the project and 2) do not use the funds for its intended purpose. You have to prove your worth to the donor and in order to do this you need to know what they are looking for.

Step 2: Get Organized/Assess Capability

After confirming that your LA has potential project needs that are consistent with identified goals, the first question will be: How will you organize your LA to seek out donors for this goal? There are three ways advanced organizations approach this question. For smaller LAs, the only option is for the Secretary to bring together key people in the organization to complete the grant application. It must be a team effort. This is called a decentralized approach and is discussed below. While this is the only way to go about writing a grant application, someone must still be identified to organize the entire process. Most likely this will be the Secretary. For larger LAs, the centralized or semi-centralized approach might be more beneficial. Each has different benefits, costs and implications for who will handle the responsibilities. This will be discussed later in this training module.

Centralized Approach

In a centralized approach, a Grants Office is created in the LA and a Grants Coordinator appointed. This may be a person who has other responsibilities within the government (such as a Budget Analyst or a Planner). There are benefits in appointing an existing employee verses employing a new person for the position of Grants Coordinator. Firstly, the LA would be developing the skills of an existing employee and secondly, that person would provide the necessary skills and experience and valuable contacts among funding agencies for any future grant applications.

Some of the responsibilities of this position would include:

- Developing a catalogue of possible funding agencies.
- Keeping an up-to-date list of requests-for-proposals from funding agencies.
- Establishing uniform procedures for the development and submission of grant applications, including standardized or 'boilerplate' information about the government.
- Preparing standardized budget data for grant applications, especially in the areas of employee benefits and indirect costs.
- Serving as an adviser and assistant on grant applications prepared by other staff.
- Maintaining copies of all grant applications and grant agreement contracts for the government.

As LAs and participating organizations become familiar with the process of obtaining grants, their success rate increases. A centralized Grants Coordinator can concentrate on developing this knowledge and expertise. However, a centralized Grants Coordinator may be too expensive for many LAs. Before the position is created and funded, management should ensure that a coordinator position could pay for itself within two to three years.

Semi-Centralized

For LAs who cannot afford a Grants Coordinator or do not want a centralized approach can form a Grants Coordinating Committee. This committee can be organized using staff from a single functional area or it can be made up of staff from several programme areas.

In a committee approach, the first step is to define who will be responsible for various steps in the process. Participants and their roles will vary depending on many factors, including the project area under consideration. For example, a grant application to a government donor for a transportation project will require a different committee composition than a youth services project to be funded by a private foundation. Regardless of how the committee is composed, developing a grant proposal should involve the following assignments of responsibility.

1. **Project Developer** This is a member of staff who has the background, qualifications and interest in the policy/project area. This person should have sufficient experience, be competent in the subject area and be able to conduct research and development of the proposal concept. This person should also have the ability to pursue funding contacts, and communicate and work with outside parties such as people from the political community, corporations, other levels of government, media, etc. The Project Developer does not necessarily have to be the one who writes the proposal or presents it to funding agencies. He/she would be part of a team that performs all the tasks and is the person responsible for coordinating the whole process. If the grant seeking process is successful, the Project Developer does not necessarily have to administer the project. A Project Director could be hired at this stage.
2. **Proposal Writer** Often, a person knowledgeable in a policy or programme area does not neccessarily have the writing skills to put together a well-organized, responsive and convincing proposal. Therefore, a person with proposal writing skills should be appointed who can work together with the Project Developer to produce a quality proposal.
3. **Financial/Personnel Administrators** Development of the budget (particularly the indirect costs) and the staffing plans, will require input from the government's finance and personnel staff.
4. **Top Level Policy Makers and Administrators** While these participants do not need to be continuously involved in the process, their support and approval is necessary. Before any resources are devoted to pursuing a grant, the Project Developer should be certain that the LA is willing to accept the grant, and that the project addresses a need that is a priority for the LA. Even with such approval at the outset of the proposal development, support must be re-established at various points during the process.
5. **Negotiator/Sales Person** A top-level administrator may also be the best person to conduct negotiations with officials from the funding agency. When a grant proposal has reached the stage where interviews are sought with funding agencies, the LA should put forward a person who has a high level of authority and good presentation and persuasion skills.
6. **External/Community Participants** If the proposed programme is designed to address a problem in the community, a representative of any affected group or advocacy group should be included in the early planning, developing and writing of the proposal. Support from target groups (those who will benefit from the project's activities) is critical, and is easier to obtain if their input has been incorporated from the beginning of the process. External parties should also be surveyed to see if help could be obtained from members of the community who have skills and/or experience in grant development, especially in the areas of proposal writing or contacting members of grant funding agencies.

Decentralized Approach

If the centralized or semi-centralized approaches are not feasible, then efforts to obtain grants will have to be made by individual staff in their own areas of expertise and interest. Grants can and have been obtained with this approach, but usually because of the determination, connections and hard work of an individual. If the LA approves of these individual efforts, the LA Secretary should insist on being kept fully informed by the member of staff through each stage of the process. The member of staff should seek approval of the Secretary before making any applications or commitments. Before committing significant time and other resources to grant development activities, local officials should assess their staff's current capability for these responsibilities, and their financial resources for launching a successful project proposal. For example:

- Are there members of staff who could be Project Directors or Proposal Writers?

- Is there someone who could become the Grants Coordinator?
- Is the financial management office prepared to accept, account for and report on grant funds?
- Is there sufficient physical space and equipment to support a grant writing effort?
- Are there staff, volunteers, elected officials or community leaders who have effective relationships with decision-makers in funding agencies?

If the above questions can be answered 'yes', the LA increases its chances of being able to produce a successful proposal.

Step 3: Begin the Proposal Concept and Develop a Prospectus

At this stage in the process of developing the grant proposal, ideas can be refined from the general to the more specific. For example, if the priority of a LA is to improve economic development in the central business district, now is the time to define exactly what the need is and develop some preliminary strategies for addressing the need. At this stage, one element that will determine how to proceed is whether or not the proposal will be a solicited or an unsolicited one.

SOLICITED PROPOSALS are those developed and written in response to a Request for Proposal (RFP) or a Request for Application (RFA). Funding agencies are likely to have a specific area of need in mind for awarding grants, and they will announce this and encourage interested and qualified organizations to apply for the funds. For example, a foundation might be interested in projects that include new approaches for solving problems of tourism development or water supply. The funding agency will issue an RFP. LAs that are asked to respond to the RFP can decide if they wish to apply. The steps on how to respond to an RFP are described in this training module. Going through the steps of the process will lead to a stronger proposal, will assure the proposal is responsive to the funding agency's requirements and increase the chances of being funded.

UNSOLICITED PROPOSALS are those initiated by a LA to obtain funds from a grantor. The grantor may have an interest in the proposal but has not specifically requested its submission through the RFP process. Since they are not requested, unsolicited proposals have to be more creative and closely aligned with the goals of the grantor if they are to receive serious consideration. Success in obtaining funding for an unsolicited proposal requires an unusual degree of relationship building with key representatives of the funding agency and the ability to argue convincingly on the merits of the proposal.

The best approach to generate good ideas for either a solicited or an unsolicited proposal is to bring together the project team and ask them to develop and then evaluate as many ideas as possible. Questions that you can use for evaluating the ideas are listed below. We suggest that you develop your own form, with questions similar to these as well as others you might have, and give copies to all parties at your brainstorming meeting. The Project Developer/Coordinator can collect them at the end of the session.

- Which ideas have the greatest cost/benefit return? That is, which seem to be able to bring the most amount of benefit for the lowest resources?
- Which ideas are most in line with government policy priorities?
- Which ideas would appeal the most to funding agencies? Funding agencies have different priorities and interests, so this area will probably be left blank until you have carried out some research in this area.
- Which ideas will require the least commitment of effort and resources by the LA?

After all the ideas have been evaluated they should be ranked as to which approaches seem the best.

Group members can also develop these questions into a worksheet for evaluation. The worksheet should be continually updated as more information is acquired. The product of this effort should be the identification of a best approach, and then the development of a two or three-page prospectus for that approach. The prospectus is used as a starting point for the rest of the proposal development process. Flexibility is vital at this stage of the project. This is the step where constructive advice is required in order to strengthen the chances of funding. The ideas in the prospectus can be further refined, or later rejected, as the approach and potential funding agencies are researched more rigorously.

One experienced grant writer recommends that the prospectus, as well as all of the ideas and rating forms, should be captured in a three-ring bound proposal development workbook. The workbook should have a different section for each of the ideas that are generated and different sections as you move through the different stages of proposal development. Tabs should be set up for each section, such as, 1) documenting the need, 2) alternative approaches, 3) Advisory Committee and 4) staff. Later in the process, sections can be added on 5) research on funding agencies, 6) contacts that have been made, 7) arguments for the appropriateness of your organization/staff/project, etc. The workbook can also contain 'lessons learned' from successes and failures, thus adding to the LA's knowledge and experience in obtaining grants.

Step 4: Research Funding Sources

Once the prospectus is complete, the Grant Coordinator/Grant Committee/Project Developer can begin a preliminary search to identify potential grant funding agencies and programmes. This can be the most difficult task and one where the experience and knowledge of a Grants Coordinator will be invaluable. If your LA does not have such an employee, you may want to consider trying to increase the skills of an existing member of staff. Skills can be increased by sending the member of staff on training programmes in 'grantsmanship', by subscribing to journals from grant-maker associations, by acquiring grant development books and meeting Grants Coordinators from other LAs or organizations. Perhaps several LAs can join together and acquire a single grants person, or the Commissioner of Local Government (CLG) or Assistant Commissioner of Local Government (ACLG) could provide a member of staff for this service.

The goal of the funding search is to identify contact people at funding agencies who will be able to provide reliable information about the chances of receiving a grant. Producing a lengthy list of agencies to whom proposals can be submitted will only result in a slim possibility that one or more of them will award a grant. The ideal situation is to submit formal proposals only in cases where the LA considers the chances of obtaining a grant is reasonably high. The process of identifying public grant prospects differs from that of private grant prospects, but the steps are similar: to develop an ever increasing web of contacts which in turn will lead to more information and suggestions until the most promising ones are identified for a specific project.

Suggested questions you might ask of everyone you talk to about funding agencies should be provided under the heading, 'Suggestions for Researching Funding Sources'. It is desirable to develop a form for recording all the information gathered. We suggest completing an information sheet for each funding agency and to keep that in the three-ring binder mentioned previously. It is also advisable to keep an information sheet on each contact, and where applicable, cross-referenced to the funding agency. Each contact should be asked for the same information and the results recorded. Each contact should lead to more contacts.

After the preliminary round of research, enough names should have been compiled to yield several promising prospects. Now these prospects can be contacted in order to, 1) gain more information about them and their programmes and 2) tell them a little about the LA requesting the funds and 3) intrigue them with the project idea. Feedback gained from this round of information gathering will help in revising the project approach and tailoring the proposal more specifically to the interests of the targeted funding agency.

Letter writing is the next step in the information gathering process. A 'standard letter' can be mailed out to all prospects still on the list. This letter should include the following:

1. Name and address of the contact person, based on research data.
2. A statement that says research has revealed that the funding agency may be interested in a project proposed by your LA.
3. A brief (one to two paragraphs) description of the need/problem area to be addressed and why it is important.
4. A brief statement about the LA, its capabilities, responsibilities and unique ability to address this need/problem area.
5. A request for an interview to discuss your project further.

After mailing the letters, follow-up phone calls are made to set up either a personal interview, if the funding agency is within reasonable distance, or a phone interview, if the distance is too far to travel. Assume that a positive response will be received from many of the agencies and be prepared for the interviews. During the interviews, you are attempting to obtain answers to questions like:

1. Is your assumption correct that this is the right agency to fund the project you have in mind?
2. How large are typical agency grants, to whom, for what, on what kind of schedule?
3. Will the contact send agency criteria and application materials?
4. Does the agency respond favourably and support your rationale for the project?
5. Will the agency furnish a list of past projects it has funded?
6. Will the agency agree to review your prospectus and give you feedback on whether they would be interested in funding the project?
7. Will the agency consider viewing information about your LA if you bring it with you or send it after the interview?
8. If the funding agency seems receptive and will provide information on past grantees, their opinions could be very helpful. These grantees can be contacted and asked questions such as:
    - When did you begin the process?
    - When and how did you contact the funding source?
    - Did you visit before writing the proposal? Who did you visit? Who went from your organization?
    - Did you use advocates? Who? How?
    - Do you have any other advice?

Step 5: Fine-Tune Project/Narrow Funding Targets

After all this research is completed, hopefully one or two funding agencies will emerge as good prospects for obtaining a grant. At this point, go back to your project and 'approach' ideas, and see if they can be refined or revised to more closely match the preferences of the funding agency. Don't forget the original policy guidelines. The objective is not to reinvent your project just to secure funding. On the other hand, it may be possible to shift approaches so that the project corresponds more closely to the priorities of the funding agency. Flexibility is an essential characteristic of all successful grants.

Step 6: Decide to Write a Proposal

At this point, little time has been invested in any one project. If the Project Director/Project Team feels that the feedback has been positive, and all other signs are good, then the decision to proceed and write a proposal will be an easy one. If not, it may be useful to rethink the approach, or focus on a different but related problem, or attempt to address the problem without grant support.

Exercise

Assessing my LA Situation

Purpose

This exercise is to help participants think about their LA and consider how ready they are to apply for grants from donors. The focus of this exercise is to analyze their LA situation and determine the areas they need to concentrate on changing. Most of the work is carried out on a personal basis with some interpersonal sharing.

Process

After discussing the pre-proposal stage during the session, hand out the worksheets to the participants and give participants about fifteen minutes to work independently on the questionnaire. When participants have completed the questionnaire, ask them to quickly share with their LA co-workers their thoughts on where the LA stands with regards to being prepared to apply for grants.

A Pre-Proposal Assessment

Take a few minutes to reflect on your LA and the ideas discussed in the last session. Answer the following questions regarding your LA in order to assess your preparedness for applying for grants.

1. The short-term and long-term goals set by my LA are goals that might be able to be supported by grants given by outside agencies.

   TRUE ☐ FALSE ☐

2. The three most important needs of my LA community are:

   a. ____

   b. ____

   c. ____

3. My LA has adequate money to support a grant, can pay for staff to administer a grant and pay any other costs associated with receiving a grant.

   TRUE ☐ FALSE ☐

4. Based on the discussions in this session, the best method for my LA to apply for grants is through a Centralized, Semi-Centralized or Decentralized approach. (Circle One)

   Why? ____

   ____

   ____

   ____

5. The person in my LA that I think should be in charge of Grant-Making and the administration of grants is________

   ____

   ____

SESSION 3: FINANCIAL MANAGEMENT IN LOCAL AUTHORITIES

Exercise

Developing a Policy Statement

Summary

This session will demonstrate to participants the need to have LA financial management and service delivery areas functioning well so that donors will view grant proposals more favourably. At the end of the session, handouts will be given explaining important methods for organizing the financial records of the office. Officials can then use these handouts to ensure their LA financial practices are well organized.

Key Points

- Donors need to be assured that LAs adequately account for the grants and spend them as specified.
- Policy statements should be developed which outline the financial policies of the LA.
- Participants of this training module will be encouraged to develop sample Policy Statements in order to experience the process of developing good policies. The exercise in this session should encourage group interaction and learning.
- At the end of the session, handouts will be given which provide officials with information for organizing their LA. These handouts should be discussed briefly (5 minutes total), so that the officials recognize the information they contain.

Financial Recordkeeping in LAs

For donors, LAs must be able to show concise, accurate financial balances. In order to keep accurate financial records, a LA should,

1. Be accountable and know the financial position of the LA.
2. Understand which revenues are not being adequately collected and take action.
3. Determine how much of the LA's plan (budget) can be completed within that year.
4. Know that the law requires good financial management.
5. Follow proper management of the LA.

Additionally, monthly balances must be up-to-date and should be in an electronic spreadsheet. It is advisable to post monthly financial reports on the public notice board.

FINANCIAL STATEMENTS – WHAT ARE THEY?

The basic purpose of financial statements is to tell the 'financial story' of an organization: how the resources were acquired or where the resources came from; how and for what purposes the resources were spent; what efforts were exerted and what was accomplished with the resources. This is, of course, an oversimplification of the purposes of financial statements. Users of financial statements need to know and assess the financial health of the LA. How financially viable is the LA? What is the likelihood of its financial sustainability? Does it use the revenues it collects for the correct projects? In government, spending on solid waste collection or preschools should be assessed in terms of citizen satisfaction and improvement in students' test scores, respectively. The context of the expenditure must be considered.

Financial statements are reports that show the financial matters of a LA and the law requires them to be completed each month and at the end of each year. The primary purpose of financial statements is to provide relevant information to meet the common interests of those people who have a stake in the work of the LA. These people can either be outside the LA – such as citizens, CLG, ACLG and Ministry officials – or they might be internal people at the LA – Secretary, Chairman or others. Outside users of financial statements have common interests in assessing items such as the services provided by a LA, its ability to continue to provide these services, how government officials perform their stewardship responsibilities and also other aspects of their performance.

More specifically, the purpose of financial statements, including the accompanying notes at the end, provide information about:

a) The amount and nature of a LA's finances - assets, liabilities, etc.
b) The effects of receipts and expenditure that change the operations of the LA.
c) The amount and kinds of receipts and expenditure of the LA.
d) How a LA obtains and spends cash, its borrowing and repayment of borrowing and other factors that may affect its ability to provide services to citizens.
e) The efforts of a LA to provide services to the people.

Financial statements are one of the central features of financial reporting and are the principal means of communicating the services provided and the revenues collected in a LA. A financial statement is a formal tabulation of account names and rupee amounts derived from the accounting records maintained by a LA. Financial statements display either the financial position of the authority at a point in time (Balance Sheet) or various kinds of changes in financial position over a period of time (Income and Expenditure Form). Individual financial statements come from the same receipts and expenditure information, and they report different aspects of the same financial transactions and explain their relationship to each other. Since each type of statement presents a different type of information, no individual statement provides all the necessary information for a particular decision. All statements must be completed.

LAs are required to complete a number of financial statements:

- A Monthly Analysis of Consolidated Expenditure.
- A Monthly Summary of Consolidated Expenditure.
- A Monthly Analysis of Consolidated Receipts.
- A Monthly Summary of Consolidated Receipts.
- An Annual Income and Expenditure Account Form.
- An Annual Balance Sheet as at 31 December.
- An Annual Summary of Revenue Expenditure.

Donors want to know that grantees will be able to keep a record of their donations and track the spending accurately. Without a segregation of financial data, this is not possible.

Policy Statements

Key Points

- Policy Statements can be formal, official by-laws of the LA adopted according to the proper procedures or can be informal working procedures for completing a certain task.
- Policy Statements should consist of four main parts and should answer the four questions – 'who', 'what', 'when' and 'why'.
- The answer to the 'what' question should directly relate to the 'why' question.
- Policy Statements should not be long, in-depth paragraphs. They should be simple, easy to understand and describe what the LA will do.

LA Council Policy Statements are important tools in the administration of local government. These statements might be in the form of official by-laws of the LA or they might be informal, internal operating procedures used only to carry out work in the LA. Pages 136 – 141 (English version) of the manual Work Procedures for LAs produced by the Sri Lanka Institute of Local Governance details by-law procedures and how to officially adopt new by-laws. This might be a good way to adopt Policy Statements so that all citizens know how the LA will address their work. On the other hand, a LA might choose to only set policy guidelines in the form of Policy Statements adopted by the Council of the LA. Secretaries and Commissioners have the responsibility to ask the LA Council to adopt operating procedures, including any Policy Statements. It is very important to have policies in place that describe the procedures that will be used by the LA.

Policy Statements should Include the Answers to Four Main Questions

Who? 'Who' or 'which' group is responsible for completing the task?

What? 'What' will that person or group do? 'What' is done, directly answers the 'why' question.

When? 'When' will the work be started/completed? (Timeframe).

Why? 'Why' is this work being done? 'Why' is an answer to the 'what' question.

Taken together, the answers to these four questions will form the Policy Statement being developed. When trying to create a Policy Statement, officials should be sure to include the answers to all four of these questions. Policy Statements should not be abstract or theoretical, but should be specific and exact statements that state what will be done.

Sample Policy Statement

[WHO] The LA will **[WHAT]** produce data on the revenues it collects **[WHEN]** monthly and the Secretary/Commissioner will then analyze the information, including how much revenue each source is providing, **[WHY]** so that information can be provided to Elected Officials, Finance Committee and the public concerning revenues for the year-to-date.

Exercise

Developing a Policy Statement

Time required: 30 minutes

Purpose: To practice developing a Policy Statement that includes all four components, 'who', 'what', 'when' and 'why'.

Process: Pass out Idea Cards. Divide the room into four groups. Have each group take one of the four questions – 'who', 'what', 'when' and 'why' – and develop hypothetical Policy Statement components. For example, the 'who' group should write down titles of different officials, groups, committees or people that will perform a task. These do not have to be related to Sri Lankan LAs. In fact, they should be encouraged to think outside of this context, to be as silly as possible. Possible answers are: Mickey Mouse, Tom Cruise, etc. The 'when' group should write down different timeframes for completion of a task, such as monthly, weekly, hourly, every 10 minutes, etc. Give each group 5 minutes to write sample answers. After five minutes, each group changes their question to be answered. The 'who' group should now do 'what'. The 'what' group becomes 'when', etc.

Do this for all four questions so that each group has written down on idea cards answers to each of the four questions. Then have them create sample Policy Statements by putting together one answer from each question. A sample Policy Statement might be:

Mickey Mouse will brush his teeth once a year so that the snow melts in the mountains.

After completing the Policy Statements they should be examined and corrected so that the 'why' components directly answer the 'what' is being done. While the silly statements might be funny, the point should be made that 'what' you do is done for a reason. This reason must always answer the 'why' component.

Financial Management Handout 1

LA Financial Organizational Structure and Procedures

This handout looks at two key areas in revenue administration. Firstly, the organizational structure and staff who oversee the billing and collection activities. Secondly, the procedures used by this office to bring in revenues. It is easy to overlook these areas in searching for ways to improve revenues for the LA, but they are improvements that are under the control of the LA administration, have potentially big payoffs, and have many benefits, besides improving revenues to the authority.

Organizational Structure/Staffing

In a LA there should be a group of people dedicated to billing and collection, with one Collections Officer responsible for preparing and distributing all bills, and collecting and depositing all revenues. Revenue collection operations should be organized with clear lines of responsibility for all personnel. Each employee should have a distinct set of duties and a single supervisor. Avoid situations in which collection responsibilities are divided between offices or supervisors and/or where individual employees must report to more than one person. Consolidation allows for economies of scale in personnel, training, office equipment and avoids many communication and expectation problems.

Reporting

The Collections Officer should report to the Bookkeeper of the LA. Collections may be carried out on an in-house or a contracted out basis, or combination of the two. The advantages of using in-house collections staff are primarily control and accountability. The Collections Officer directly supervises the staff and the procedures, and can institute control and audit procedures to ensure the honesty, efficiency and accuracy of the Collections Office. Also, the Collections Officer can oversee contact with the taxpayer or ratepayer, in order to ensure that customers are treated politely and fairly. The primary drawback of in-house staff is the cost. Unless the LA is billing and collecting continuously, it can be expensive to have staff dedicated just to collections.

Collections carried out on a contract basis may be less expensive for the LA. However, control may be more difficult to establish, maintain and audit. Often, bills and collections of payments are carried out by the authority's staff and delinquent bills are given to a private collection agency for follow-up efforts.

Division of Responsibility

Within the Revenue Office, there should be a clear division among employees performing the functions of billing, collecting and depositing, with adequate checks and balances. One member of staff should add up the money (cheques and cash) received, and prepare the deposit, while another should add up all the bills that have been paid and prepare them for posting to customers' accounts. The two totals should then be compared. This makes it much less likely that any one person can mislay or misappropriate any funds received. Entering all payments into a cash register or a computer linked to a cash drawer at the time of payment can help reduce the chance of error and improve the time it takes to balance the day's collections.

Deposits

Deposits should be made into the LA's bank accounts each day. Prompt depositing of funds is important for safeguarding funds and to make the money available for cash management purposes. If staffing allows, the person making the actual deposit to the bank should be someone other than the person who prepared it. LA officials should be especially stringent in requiring qualified and honest collections staff. Whenever large sums of money are handled, it is critical that adequate and credible safeguards are established.

Evaluation Checklist for Organization and Staffing

- Is overall responsibility for financial stewardship concentrated in one official, who serves as Finance Director, Secretary or Bookkeeper?
- Are specific finance units, such as Budgeting, Assessment, Collections, Purchasing, Accounting and Treasury headed by officials who report to the Bookkeeper or Finance Director?
- Is the responsibility for the form, filing and retrieval of all financial records concentrated in the Bookkeeper or Finance Director?
- Is the Bookkeeper or Finance Director responsible for all finance-related reports internally and externally, including all reports required by other levels of government?
- Are finance operations viewed as a whole for data management purposes, i.e. are data recorded, filed, retrieved, transferred and reused according to a system-wide plan designated to minimize rerecording?
- Are all top finance officials (e.g. Collections Officer, Accountant, Treasurer) professional staff with degrees and/or certification in government finance?

Financial Management Handout 2

Billing and Collections Procedures

There should be documented procedures for billing and collections. Written procedures contribute to greater efficiency, consistency and accuracy, as well as improving communications. The Pradeshiya Sabhas, Urban Council and Municipal Council Gazettes (published in 1940, 1987 and 1989), as well as the Work Procedures for LAs (published by Sri Lanka Institute of Local Governance) provide a basic outline of the procedures LAs should follow. Other benefits from written procedures:

- They can be the basis for training and cross-training of staff. Procedures can be used as reference materials and establish standards for handling money and accounting responsibilities.
- Written procedures can be a key part of the staff evaluation process. It is easier to determine performance levels if you have clearly articulated performance expectations, such as all cheques will be deposited by the close of business.
- They can help staff refuse requests for exceptions and special favours. Customers can be shown that requests to lower their bill, waive interest or penalties, hold post-dated cheques for later deposits and other special handling are clearly against the written policies and procedures. This also demonstrates commitment to a professionally run office.
- The written procedures can be given to the auditors who are generally looking to determine that office procedures provide sufficient internal controls and safeguards to protect the authority's assets.
- They can help document the need for more staff, hardware, software, training or other resources to accomplish the goals of the office.
- They can be helpful in saving time and avoiding mistakes on unfamiliar tasks that are not performed frequently.
- They can be the basis for preparing reports for management and the public.

Billing Procedures

Generally, there is a separate person within the Finance Office that prepares the billing list and then gives this list to the collector for bill preparation and collection. Good procedures that should be developed for the billing office include:

Preparing the Billing List

The list should include the name of the person responsible for paying the charge, the service address for the charge, the total amount of new charges, total amount of old charges carried forward, all interest and penalties added to the bill, the account number and the basis for the charge. For example, if the charge is for water consumption, the bill should state the old meter reading or consumption rate, the new reading and the difference that is the basis for the current bill. Other relevant billing information, such as source of the reading, (actual by authority staff, provided by customer, estimated, etc.) and any miscellaneous charges added to the bill, should also be on the list. The subtotal of all charges should be at the end of the billing list and a grand total calculated. The LA official in charge of preparing the billing list should sign and date the list on the last sheet, indicating his or her approval in sending the list to the Collections Officer. Additionally, the billing list should be separately sent to the Accounting Officer, who will set up the total amount to be billed as a receivable on the general ledger.

Preparing the Actual Bill

The bill itself should have at least two parts (a top and bottom or multiple layers) that enable one part to be presented to the Collection Office for payment and one portion to be retained by the customer. Each individual bill should contain all the information described above, as well as a mailing or delivery address for the bill (if different from the service address), the preparation (or issue) date of the bill, the due date for payment without penalty and the total minimum payment that will be accepted. The bill should also clearly contain payment instructions (e.g. cash only, if credit cards will be accepted, pre-addressed return envelopes and remittance coupon), the business hours of the Collection Office and a phone number for questions customers may have. You should also consider printing a second set of bills to keep in the office for those customers who have lost the first one sent to them, unless you have the capacity to generate a new bill quickly on demand.

Computerization of the billing process assists greatly in producing bills accurately and in a timely manner (assuming employees and management are well trained in the use of the computer and that the hardware/ software are appropriate for the task). The most efficient process for preparing bills is to refer to the computer-based list of account information used to prepare the billing list. A good billing software package should be able to keep records of on-going billing and collections, prepare a printed billing list, store all charges to customers' accounts and generate a new bill, without retyping or re-entering the same information.

Handling of Requests for Abatement of Billed Amounts

It is very important to have clear written standard operating procedures for handling requests for reductions in billed amounts, often known as abatements. It is important to ensure that the collections staff that are accepting payment for bills do not also have the authority or ability to decrease (or increase) the amount of anyone's bill. It would be too easy for dishonest staff to accept payments, then lower the amount of the bills and keep the difference, without anyone else being aware of the action. Authority to grant abatement should be reserved for the LA officials who oversee the provision of the service that is being billed for (e.g. rents, water), and should be authorized on a signed form that indicates the reason for the abatement (e.g. erroneous meter reading, miscalculation of square footage, etc.). This form should be in triplicate, with the original sent to the person billed, and copies going to the Collections Officer and the Accounting Officer. Both the Collections Officer and the Accounting Officer should use the abatement to reduce the total amount to be collected and the Collections Officer should also post the abatement to the customer's account to reduce the total due. If the customer has already paid the total amount originally billed, the Collections Officer should issue the customer a refund of the amount overpaid or credit the account.

A Schedule of Key Dates and Activities

It is very important to establish a calendar indicating the dates for preparation of the billing lists, issuing the bills and the due dates. These activities can be improved by reducing the time it takes to produce the billing list, actual bills and delivery time to customers. Prompt billing on a regular basis increases the amount of cash available for paying the authority's obligations and for investment. It can help reduce delinquencies by establishing regular billing and due dates in the minds of customers, who can then set aside funds to pay their bills. Setting these billing dates and then monitoring adherence to them can also be an indicator of any emerging problems in the billing and collections operations.

Financial Management Handout 3

Collections Procedures

Once the bills have been prepared and sent out, the actual collection of payments begin. The staff of the Revenue Office receives and records the payments to customers' accounts and deposits the funds in the bank. The Collections Officer must set up simple and clear procedures, adequate controls and useful reporting methods for this collection.

Procedures for Accepting Payment at the Counter

Many customers will want to or be required to pay the bill in person at the LA. Procedures here should include stamping the customer's portion of the bill to indicate payment was made together with the date, and stating on both bill portions if payment was made in cash and/or by cheque. If payment was made by cheque, the account number should be written somewhere on the face or the back of the cheque. If the customer does not have his/her portion of the bill, a pre-numbered duplicate receipt should be written, and the original of the receipt given to the customer, the other retained in the office. The guiding rule should be, for every payment received there should be a bill or receipt retained in the office that exactly matches the amount paid, and that reflects the account number and name of the customer. At the end of each business day, there should be a stack of bills and/or receipts that add up to the day's total business and exactly equals the amount of money to be deposited in the bank.

Procedures for Accepting Payment Through the Mail (if applicable)

The LA may choose to allow customers to pay their bills by cheque and send it to the office by post. If this is the case, the LA should include return envelopes pre-addressed to the office. There are generally two choices for handling these payments. The LA can use their own staff to open and process the mail payments, or they can contract with a bank to help with receipt of payments. In the first option, the LA should develop written procedures for staff processing mail. The staff person should carefully open each envelope, being sure to remove all contents of the envelope so as not to miss a small note or other enclosure. Most envelopes will contain a copy of the bill being paid and a cheque for the payment.

As staff remove these bills and cheques, they need to examine each carefully to see that the cheque is properly dated and signed, that the amount of the cheque equals the amount of the bill and that the bill is not overdue. Any payments that do not meet these requirements should be set aside for special handling. A calculator tape should be produced for the total of all cheques and bills. Once these equal each other, cheques are prepared for deposit by endorsing them with the deposit stamp for the LA. All cheques and cash that were received over the counter should be added to the deposit. The deposit should be made every business day. Cheques and cash should not be held for more than one day in the Collections Office, both because the funds cannot gain interest until they are in the bank and to reduce the opportunity of fraud.

Collections Officers can also enter into agreements with banks to process payments that the customer has sent directly to the bank. In these cases, customers place their payments in pre-addressed envelopes to the bank. Staff at the bank will open the envelopes, deposit the cheques into the authority's bank account and prepare a list of all accounts paid for the collector to post to customers' accounts. This is known as a lock-box arrangement. Further, if the printed bills have a scan line containing the customer's bill number and the amount due printed at the bottom of the bill, the bank can use scan reading devices to quickly prepare the posting list for the collector and process hundreds of payments in a very short time.

Finally, if the LA uses computer equipment to post payments to customers' accounts, the bank can prepare a computer file containing the posting information and the authority can accept the file via a computer disc or tape, or electronically via a modem.

Procedures for Posting Partial Payments to Accounts

Residents may sometimes be unable to send in the total amount they owe to the LA. The LA must have a procedure in place for handling partial payments of a bill. The most important thing to remember is to never turn down revenue payments – even if they are not being paid in full. There is a big difference between a resident that does not pay any portion of their bill and makes no arrangements for payment and a resident that makes an attempt to pay but is unable to pay the entire amount. The LA should acknowledge the resident that is attempting to pay a portion of their bill and should be thankful that at least some of the payment is being made. Therefore, the LA should have a procedure in place to recognize partial payment of amounts due. The easiest way to handle this is to simply apply any partial payment to the account and note that there is still an amount due. Authorities must make sure that partial payment accounts are not included in listings of accounts that are paid in full. There is still an amount owed and the LA must diligently seek payment for the remainder.

Another consideration is what to do if a citizen pays a bill that contains multiple parts. Perhaps a citizen received a notice of payment for a building he is renting for Rs 700 and also received a tax bill for Rs 600. He comes to the LA to pay, but only has Rs 1000 to pay for both of these bills. How does the clerk apply the payments? Does she take the Rs 700 for the rent and give him Rs 300 in return and ask him to come back later and pay the entire Rs 600 bill when he has the money? Does she take Rs 600 for the rates and only Rs 400 for the rent bill? There must be a policy in place for applying partial payments to multiple tax bills. The recommendation is to pay off an entire bill so that it is complete and apply the remaining money paid as a partial payment on the other bill. The LA should not turn away any payments simply because the citizen is attempting to pay only a partial bill. A system and policy must be in place to receive partial payments.

Procedures for Posting Payments to Accounts

Each day, staff should record all payments received to customers' accounts. If computerized files are kept, the payments can be entered as a batch, and the computer software can add up the total amounts paid to be sure they equal the total amount of bills paid and payments received. If payments are recorded onto hand prepared ledgers, calculator tapes should be prepared after all posting, to be sure the totals agree.

Procedures for Checking Daily and Monthly Collections

Revenue Reports should be prepared by the collections staff at the end of each business day showing the amount of payments received, abatements granted and new amounts billed. Note that:

1. Revenue codes for the different categories of revenues are taken from the LA's chart of accounts. A batch is created for all bills that are of a similar type of payment, e.g. rents, that were deposited together at the same bank. The LA in this case deposits cashier payments into a neighbourhood bank. Unique batch numbers are given to each batch.
2. At the bottom of the Revenue Report are the total amounts of the collections, with subtotals by bank. This facilitates reconciling the posted revenue to the bank deposits.

Revenue reports should also be generated on a monthly basis and compared to bank statements for the month. Two further reports should be prepared by the collector, a list of outstanding accounts and a trial balance. These should be checked carefully to ensure each produces the same ending position and that the total amount of paid accounts for the month equals the Collections Officer's Revenue Report for the same period. Any exceptions should be checked and corrected. Then the Collections Officer should compare his/her reports with those of the Accounting Officer to be sure they are also in agreement. Again, we emphasize that all this comparing and checking work is greatly facilitated by the use of computers and good financial software, as long as staff are fully trained in using the software and understand the reports they need to reconcile collection activity. Following is a checklist of issues for you to consider in evaluating how well your current collection procedures are helping you to maximize the revenues due to your LA.

Evaluation Checklist for Revenue Collection Procedures

- Are there written policies and procedures for preparing billing lists?
- Are bills prepared promptly? Does the present billing system effectively process the present load? What is the number of days from which the billing list is prepared to the time bills are mailed? How does this compare with prior years?
- Are there adequate safeguards to ensure all customers are billed?
- Are there written policies and procedures for accepting payment from customers over the counter?
- Are there written policies and procedures for processing payments received in the mail?
- Are there written policies and procedures for accepting partial payments from citizens?
- Are each day's receipts deposited in the bank intact and without delay?
- Has the use of a lock-box arrangement with a bank been explored?
- Are there written policies and procedures for handling requests for abatements?
- Are there written policies and procedures for issuing refunds?

STAGE 2

SESSION 4: FINDING DONORS AND DEVELOPING A GRANT PROPOSAL

Exercise

Proposal Template Writing

Summary

This session discusses the actual components involved in a typical grant proposal application. While not all aspects are necessary for every proposal, these components are generally required.

Key Points

- Most grant proposals require similar content, such as the sections listed below.
- Remember to seek grants that will support the goals already in place in your community and never change your community goals in order to meet a grant requirement or need.

Typically, a grant proposal has standard sections that organize and present the information on which the funding agency will make a decision. These sections may vary slightly, have different titles, or be omitted altogether, depending on the requirements and preferences of the funding agency. The sections are listed below. Each is described in more detail in this session and continued in Session 5.

1. Title page
2. Summary/Abstract
3. Statement of Purpose and Objectives
4. Statement of Need
5. The Approach/Procedures
6. The Budget
7. Evaluation
8. Report Editing and Review

1. Title Page

The title of the proposal is very important and if it is not good, a reviewer may not read further. A good title is short, descriptive, and easy to remember and it relates to the project's end results or benefits. Ask people not involved in the proposal for their opinions about the title. Ask them what they think the project is about based on the title alone. Look at the titles of proposals that have previously been funded by the prospective funding agency and check to see if there are any specific requirements regarding the title and/or the title page.

2. Summary/Abstract

A summary or abstract of the proposal should be developed if the proposal exceeds six to eight pages. The summary should briefly cover the highlights of the material in each section of the proposal. One way to structure the summary is to allocate a paragraph to each major section of the proposal. Some funding agencies require a summary and may prescribe the number of words or space that can be used, such as "must not exceed 500 words". A well-written summary will include a brief statement explaining how the proposal is responsive to the donor's requirements and interests. The summary should impress the donor with its clarity and motivate the reader to continue reading the entire proposal.

3. Statement of Purpose and Objectives

The Statement of Purpose is perhaps the most important section of a grant proposal, both in terms of what it says and how the information is presented. The Statement of Purpose tells the funding agency what is to be accomplished or will result if the project is funded. It is also a first sign to the funding agency that the project is well conceived and can achieve its objectives.

The Statement of Purpose should be very specific in terms of the project's goals and objectives. These two terms are often confused. Goals are an overall conceptual orientation to the ultimate purpose of the project that can be reasonably achieved. Most projects have only one, possibly two, goals. Objectives, on the other hand, should be specific and concrete, more likely to be measurable and able to address short-term or intermediate accomplishments. A proposal may have several objectives and, depending on the complexity of the project, these may be of several different types. Performance information can be collected and measured to judge whether the objectives are achieved.

Objectives provide the framework for organizing the problem section of the proposal. In this section, the problem and needs are described and analyzed. An example of one objective could be "to give local treasurers information to understand the full array of investment tools legally available to them, their risks, costs and potential payoffs". To match this objective, the needs section should discuss the nature and extent of the lack of such knowledge among municipal treasurers, how that lack of knowledge leads to loss of potential income for their governments and the possibility of losing the principle in high risk investments.

In a similar manner, the objectives set the framework for the approach chosen to deal with the problems/needs. In the example just cited, programme activity should be included that is clearly designed to fill this knowledge gap.

If the proposal being written is in response to an RFP, the goals and objectives may already be stated. For example, the RFP may be seeking proposals to establish a new programme to reduce solid waste. In this case, the goals and objectives do not have to be restated or revised but rather described and elaborated on to demonstrate your understanding of the situation and 'showcase' your own approach to the purpose and needs as established by the funding agency.

4. Statement of Need

This section of the proposal may also be called Statement of the Problem. Generally, funding agencies receive more proposals than they can fund. This section of the proposal should convince decision-makers at the funding agency that the issues addressed by this project are more compelling and urgent than others. Aspects to be addressed in this section of the proposal include:

Project Audience Who is this project important to, and why? Does it have benefits just for those immediate participants or will the benefits be applicable to a larger audience? Can results of the project be generalized to other similar problems and situations? Is the project a stepping-stone to further, important programme needs?

Problem Understanding Does the proposal demonstrate a thorough understanding of the issues that the project is attempting to explore or resolve? Particularly important is to establish how this project fills a significant 'gap' in the current situation and why other ongoing efforts or projects have not or cannot accomplish the goals of the proposed programme. Demonstrating knowledge of the current literature and other ongoing projects in the problem area, is critical. Also, background information and statistical data should be briefly introduced to substantiate the problem. If a needs assessment has already been conducted, it should be explained here.

Project Timeliness A statement of why the project is important for funding now, and the negative consequences of delaying the project.

Project Relevance A statement of perception about how this project ties in with the funding agency's mission, interests and ability. It is particularly important to make reference to past projects funded by the agency that are connected to or can be built upon by this proposal.

Project Focus The problem statement should be narrow and focused so that the funding agency has a reasonable expectation that the project can resolve the problem, given the requested resources. Don't describe a problem that is so great that it seems intractable or will require vast amounts of time and resources.

In summary, the Statement of Need should explain to the funding agency why the problem should be addressed, how the proposal is related to solving the problem and why the proposal should be funded.

Exercise

Proposal Template Writing

Purpose: To practice completing templates designed to have the main components of a grant proposal. Once these are written, they can be adapted quickly for most proposal responses.

Process: Pass out template pages to each participant. Have the participants work with other members of their LA to fill out the template pages. Have actual completed examples of these templates available for participants to view. Make sure the participants do not copy the examples, but rather complete the pages for their particular LA. Share responses to a few of the template pages during the exercise to make sure everyone is on the same track.

I. Organizational Description

1) Name of the LA:		
2) Mail Address:		
3) Telephone:	4) Fax:	5) E-mail:
6) Responsible Person (Mayor, Chairman, Secretary, etc.):		
7) Length of service in LA by Responsible Person (Mayor, Chairman, Secretary, etc.):		
8) Current number of cadre: Approved: ________ Casual: ________		
9) Characteristics of LA Council: Ruling Party and No. of Members ____________________________ Opposition Party and No. of Members __________________________ Other Parties and No. of Members ______________________________________		
10) Key facts of your LA Population __________ Sinhala _________ Tamil _________ Other________ Land Area ___________ Length of tarred roads ___________ Length of gravel roads ___________ Length of other roads ___________ Do you have/own (Give number) Library ______ Reading Rooms ______ Preschools ______ Community Centres ______ Tractors ______ Bowser Trucks ______ Street Lights ______ Tube Wells ______ Public Toilets ______		

11) Briefly describe 2 or 3 of the most important projects that your LA has conducted within the last three years, including the results, total project cost and the source of funds.

12) Are you cooperating with other local stakeholders (e.g. NGOs, other LAs, 3-wheel Association, business sector, media, community groups, schools, etc.)? If yes, please state these stakeholders and for what purpose you cooperate with them.

13) Please list any previous and present donors to your LA projects, including contact information and amounts donated in the last five years.

II. Basic Information about the Project Proposal

1) Title of the project:

2) Responsible Person:

3) Other members in the implementation team:

4) Location of where your project will be implemented (city or town, and province):

5) Provide information demonstrating how your proposed project builds upon previous organizational experience.

6) Describe the community (e.g. entire LA, business owners, homeless, etc.) and number of people (e.g. 5,000 households, 20 shops, etc.) that will benefit from this project.

7) Signature of the Chairman or Mayor and Secretary or Commissioner:
Chairman/Mayor: ______________________________
Secretary/Commissioner: ________________________________

8) Signature of the Opposition Leader on ONE of the following lines:
Approve of Project ______________________________
Do Not Approve of Project _________________________________

III. Project Description

1) Community Need

Describe the needs in your community that will be addressed by your project.

How is your community affected by this problem?

How were the problems identified?

How was the data collected?

Which other stakeholders were consulted?

2) Project Goal, Activities and Results

What is the main goal of the project?

What are the specific activities/steps that your organization will take to achieve this goal?

What are the results and concrete changes your project will bring?

3) Project Activity Schedule

Using the activities listed above, please complete the following chart.

Activity	Responsible Person	Duration (months)	Expected Results

4) Beneficiaries (persons directly affected by this project)

a) How many people will directly benefit from your project? ________________

b) Please describe beneficiaries according to their common characteristics and needs (e.g. gender - how many males/females and ethnic background – how many minorities or other factors, which are important for your project).

c) According to which criteria or plans will you select beneficiaries?

5) Local Community Involvement

a) Describe how local citizens will actively participate in your project implementation. How many of them will be actively involved?

b) How many volunteers will be included (i.e. citizens who will assist you in the organization and implementation of activities) and in which activities that you mentioned in item 2 above?

c) Describe how the following local institutions will be included in project implementation:

- Other LAs
- Business sector
- Other partner organizations (CLG's office, NGOs, institutions and similar)

6) Other Support for Project Activities

a) Describe the support your LA will provide to this project according to the type of support (financial, voluntary work or in-kind support) and anticipated Rupee value of this support.

b) What kinds of support do you expect from other donors?

7) Informing the Community about Project Activities

a) How will you inform citizens, beneficiaries and others about your project activities and results?

b) Describe the activities planned to promote your project (such as printing a publication or organizing a public event).

c) How will you involve the media in your project?

8) Plan for Project Monitoring and Evaluation

How will you know that the local community, citizens and beneficiaries are satisfied with your work? How will you know that your project was successfully implemented?

9) Continuation of Activities

a) Describe how the results of this project will influence your community in the future.

b) Please present a short plan of continuation of these project activities beyond the proposed project period.

IV. Budget Narrative

Total Project Implementation Costs
Total Equipment Costs
Total Salaries and Honorariums
LA Contribution Amount
Description of other budget lines, if the LA wants to provide further explanation.

Attachments (number of pages is limited according to RFP):

- CVs of key project staff (**mandatory**).
- Previous year's final accounts balance sheet (**mandatory**).
- Supporting letters from national and/or provincial politicians demonstrating cooperation and partnership with local institutions and organizations (**mandatory**).
- Other documentation (**optional**).
- Promotional materials and media coverage (**optional**).
- Copy of Minutes of Meeting where the decision was taken to submit this proposal (**mandatory**).

Checklist of Basic Application Requirements for LA Grant Application

Before submitting a project proposal, please make sure you are familiar with the RFP requirements as listed in the application.

Please mark (✔) fulfilment of each requirement.

1. LA members have answered all of the application questions as accurately as possible.	
2. The LA has submitted no more than one proposal for each RFP.	
3. Application is submitted to the correct address and addressed to the correct person and/or office as required by the RFP.	
4. Application is submitted by post or hand-delivered by the application deadline.	
5. Application is submitted in 1 original (with attachments) and number of copies as required by RFP.	
6. Number of pages of attachments does not exceed numbers allowed by RFP.	
7. CVs of key project staff are attached.	
8. Previous year's final accounts balance sheet is attached.	
9. The project will not benefit any council member, business or citizen exclusively or inappropriately.	
10. Each budget line is directly linked to a specific project activity.	

Please mark (✔) submission of additional documentation.

1. The LA has submitted letter(s) of support from national and/or provincial politicians demonstrating cooperation and partnership with local institutions and organizations.	
2. Articles from newspapers, brochures or other promotional materials about the work of the LA are attached (if desired).	

SESSION 5: FINDING DONORS AND DEVELOPING A GRANT PROPOSAL (CONTINUED)

Exercise

Reviewing Actual Grant Applications and Proposals

Discussion

Donors and How to Research Who They Are

Summary

This session continues to discuss the actual components involved in a typical grant proposal application. While not all aspects are necessary for every proposal, these components are generally required.

Key Points

- Most grant proposals require similar content, such as the sections listed below.
- Remember to seek grants that will support the goals already in place in your community and never change your community goals in order to meet a grant requirement or need.

Review the first four sections from yesterday:

1. Title page
2. Summary/Abstract
3. Statement of Purpose and Objectives
4. Statement of Need

5. The Approach/Procedures

This part of the proposal should describe in detail each activity that will be undertaken and how these activities will be carried out. The approach section is typically the longest part of the proposal. First, the applicant should introduce the approach to be used in managing the project and provide a brief explanation to justify why this approach was chosen. Other potential approaches may be mentioned and the reasons for their exclusion. It is important to stress any unique aspects of the project design and methods and how they improve on previous approaches. Other elements in this section that should be discussed include the following.

Participants

If the project calls for the involvement of one or more individuals, a description is required to explain who these participants are, how they were chosen, if they have already indicated a willingness to be included in the project, what will be expected of them and if/how they will be compensated.

Work Plan

The purpose of this section is to indicate the major accomplishments and products planned for the project with completion dates and a description of how the activities will be spread throughout the project period. Charts, graphs or other types of diagrams should be used to present the key activities and the dates associated with them. To develop such a chart, it is necessary to know:

- Specific tasks and how much time each will take.
- The order in which tasks must be accomplished.
- The amount of staff time associated with each task.
- The amount of consultant or outside help that will be associated with each task.
- Work products or 'deliverables', interim and final.
- Materials and equipment required.

There are many techniques to choose from in presenting the work plan. Standard in proposals are summary charts, such as GANTT Charts, PERT (Program Evaluation Review Technique), the Critical Path Method (CPM) or simple time charts.

Administrative Plan

This section of the approach establishes who will be responsible for the project, its activities and resources, the personnel that will work within the project and the administrative procedures that will be followed. It is important to document that competent people will be working on the project and to justify their funding. Particularly important to cover are:

- Key project positions, their roles, credentials and their background in this area. Describe how they have been or will be chosen for the project and the criteria used in making these choices.
- Other staff who will be involved and how.
- The organizational structure.
- What other units are in your organization, what do they work on and how do they relate to your unit.
- Leadership of the organization and where management of the project fits in with the chain of command.
- An organization chart that diagrams this information.

Other Contributors

Describe any other consultants or advisors who are not currently in your organization but you expect to be part of the project. Describe the arrangements already made with these individuals. If there will be an advisory body, describe who will be on it, how and why they will be chosen and their responsibilities.

Track Record

If your proposal builds on earlier work or on related projects undertaken by your organization, this is a good place to mention it. The discussion should include, 1) how this current proposal builds on or links to previous work, 2) the organization's experience and capability to carry out the work plan and 3) the outcomes described earlier in the proposal. If prior experience is required for the project, the applicant should emphasize their ability in this area, particularly as it may be something that other applicants lack.

Deliverables

This section describes in more detail the products outlined in the earlier goals/objectives section. If, for example, we consider the objective of 'training local officials in an area of financial management', then a more detailed description should be provided, specifying the areas to be covered by the training and in what form the training products will be delivered. Also important in this area is to suggest the potential use of project results relative to a larger audience or for broader purposes.

6. The Budget

The budget section of the proposal identifies total project costs and estimates the application of these rupees during various phases of the project. The budget can only be developed after the proposed project has been planned at a detailed level. It also requires that the proposal writer has a good understanding of the rules and regulations of the funding agency to which the proposal will be submitted. How the budget is prepared depends on the complexity of the project and the instructions of the funding agency. Funding agencies are concerned not only with the total amount of rupees requested but also if the request is realistic and well justified. Correct presentation of the budget can help to create respect for the Project Manager in the minds of the funding agency. The budget must conform to the goals and the narrative of the proposal. For example, if a staff position is discussed in the narrative, the budget should include compensation for the position. Travel should not be discussed in the narrative unless funding for it is included in the budget. The budget should be developed by someone who thoroughly understands how and what the project is intended to accomplish. The best way to do this is to go through the proposal section by section and identify the 'who, what, when, where and with what resources' for each activity of the project, then organize this information into several categories.

Budgets can be prepared in a standard line-item format or presented by programme or cost centre. Presenting the budget by programme or cost centre requires devising major functional activities or categories, such as administration, training, writing and evaluation, then estimating the proportion of each line-item that can be appropriately allocated to each functional category. For example, the Project Director, at Rs 1,200,000 per annum, might spend 1/2 time on administration, 1/4 time on writing and 1/4 time on evaluation. In such a case, Rs 600,000 would be allocated to administration, Rs 300,000 to writing and Rs 300,000 to evaluation. The budget submission will often be on worksheets specified by the funding agency. The agency will provide guidelines on how to use the worksheets and stipulate the terms and conditions of budget requests. The requirements of the funding agency should be carefully followed in preparing the budget.

Below are the major items that would ordinarily be included in a funding agency's budget guidelines.

Personnel

There are three items in this category.

Salaries and Wages are payments made to regular employees of the organization. The budget request should indicate project personnel by position (Project Director, Research Assistant etc), the amount of time each individual will allocate to the project, and whether they are to be supported entirely by the grant and/or by a contribution from other sources. Salary levels should be comparable with salaries for similar positions in the project organization and in the local labour market. Anticipated promotional increases should be built into the salaries budget.

Fringe Benefits are additional personnel payments for items such as retirement plans, health and dental insurance, mandatory insurance programmes such as social security, disability, unemployment etc. Fringe benefits are generally shown as a percentage of salaries, with a note explaining what is included.

Consultants or Contractors who will be working on the project should be identified and included in the personnel section of the budget. They are usually hired at a daily rate, which may be set by the funding agency rather than the applicant. The budget should indicate the number of consultants and the number of anticipated days they will be working on the project.

Direct Expenses

These are all expenses other than personnel, often referred to as OTPS (other than personnel services). Cost sub-categories included are:

Travel This item covers costs for travel by project staff, consultants and if necessary, by the programme's board members and participants. The detail and justification for travel costs should be shown in the budget itself or in a budget explanation note. Some funding agencies require long distance travel costs be shown separately from local travel. Mileage, car rentals and air travel should be shown as separate line items in the travel budget.

Subsistence or Per Diem This item represents reimbursement to persons for hotel, meals, parking and other such items while they are travelling. The budget should show the number of days to be reimbursed and the amount to be paid per day.

Office Supplies This cost area represents stationery to be used during the programme, such as copy paper, pens, etc.

Programme Supplies This cost area represents supplies that must be purchased for the project, such as training materials, instructional materials, books, etc.

Equipment This cost area represents equipment required for the project, such as furniture, copying machines, computers, typewriters, etc.

Communication This cost area usually represents telephone charges, but could also cover telegrams, satellite-time rental, computer on-line charges and other anticipated communication costs.

Rent This cost area includes the rental charges for office space used by the programme. It should be expressed as a cost per square foot and the number of square feet included. Some funding agencies pay a flat rate, which is not dependent on individual project needs or space availability, so be sure to check agency policies. Also, if there is no charge, either directly or indirectly for space and facilities, these costs can be estimated and used as 'match' contribution by the organization.

Other Expenditure This cost area can include items such as, printing costs, memberships in organizations, insurance, data services, research services etc. Funding agencies differ on what is permitted in these areas, so research should be conducted on allowances and explicit agreements made with the funding agency.

Indirect Expenses

Indirect or overhead expenses refer to the costs incurred by the larger agency. If the proposed programme or project is not part of a larger operation it should not include any overhead items. If, however, the project will be carried out as part of a larger operation that provides administrative support services such as payroll, office space, computers and equipment, it is appropriate to include such costs as part of the budget.

These expenses are calculated as a percentage of salaries. Large organizations usually have a standard rate used for this purpose that may range from 10 to 100 percent. For example, an organization with a 33% indirect cost rate that prepares a programme with direct costs of Rs 2m would submit an overall budget request for Rs 2.66m. The Project Director would have control over the direct expenses, but no control over the Rs 0.66m that goes to the host agency's financial operations.

Policies on paying indirect charges vary by funding agencies. Some have a standard amount they will pay as a percentage of the total project budget, regardless of the applicant's costs and resources. Proposal writers should familiarize themselves with the policies of both their own organization and the funding agency before submitting an overhead charge figure in their budgets.

In-Kind Contributions

Some donors expect the applying organization to share a part of the cost of the project. This may be done in two ways, 1) through actual cash amounts or 2) through in-kind contributions. It is important for project developers and budget preparers to be well acquainted with the policies of the funding agency as well as their own LA's policies and resources in developing this section of the budget.

When you have completed the first draft of your budget, you should go back through your proposal again to ensure that you have made provisions for all activities and that no funds are being requested for an activity not mentioned in the narrative.

7. Evaluation

The weakest part of almost any project proposal is the plan for evaluation. The funding agency and the organization submitting the proposal will need a plan for assessing whether the project meets its objectives, and addresses in a meaningful way, the Problem Statement. An evaluation plan begins by looking again at the objectives established for the project. Consideration should then be given to indicators and how much or how well the objectives are being met. Some results will be clear and easily measured, such as an increase in the use of a service or removal of some objectionable condition. However, these do not necessarily mean that conditions have improved, only that a change has occurred. Many funding agencies look for projects that have some suitability to be replicated in other, similar situations. The funding agency needs to be assured a method exists for determining whether the project is successful or not. The LA will need to identify measurement techniques and the factors that contribute to either outcome. In the proposal, evaluation methods to be used are described along with a description of how evaluation results will be reported. There are a number of common approaches for evaluating grant projects.

Pre-Project and Post-Project Questionnaires

There will be a need for instruments or questionnaires to gather data needed to measure project outcomes, including such things as testing the knowledge or attitudes of participants before and after the project. For example, training and education projects can incorporate a ‘before and after’ training questionnaire to assess an increase in knowledge and skills.

On-Site Evaluators

One approach is to convene a group of objective observers to evaluate the situation before and after the project. The evaluators will identify changes, improvements and the difference these improvements have made.

Comparison Groups

Another approach is to identify a comparison group or situation that is not affected by the project, but has similar needs or problems. Observations can be drawn by comparing the group/situation that received grant intervention with those that did not. For example, if a grant project is to provide public health services in a neighbourhood, health statistics could be gathered in that neighbourhood after the services have been provided. These statistics could be compared with those in a different neighbourhood with similar health conditions but no services.

8. Report Editing and Review

When the first draft of a proposal is complete, someone outside the preparation process might be asked to read the document to ensure that all sections are concise, easy to understand and free of bureaucratic terminology. Revisions will probably be required to improve readability and clarify ideas.

An important final check is to review the proposal with the funding agency’s instructions and guidelines to ensure all the required information has been included. The materials to accompany the proposal, such as a cover letter addressed to the correct party, and if allowed, letters of support from influential members of the community, must be obtained and attached. After a final review of the proposal document for mechanical errors (spelling, page balance, margins, etc.), the proposal is ready for submission.

Exercise

Reviewing Actual Grant Applications and Proposals

Purpose: To have participants review actual grant proposals and RFPs from donors/donor agencies so that they are familiar with the actual documents. By evaluating these professionally completed grant proposals and RFPs, officials will observe the proper way to organize their own grant applications. Thus, when applying for grants in the future, they are more likely to receive a favourable response from donors/donor agencies.

Process: Pass around proposals to participants and have them review the documents. Time permitting, put together a proposal scavenger hunt by creating a list of questions from a proposal and having each team search through the documents to find the answers.

Discussion

Donors and How to Research Who They Are

SESSION 6: INVOLVING CITIZENS IN GRANT-MAKING

Exercise

Using the Community to Empower your LA - Steps for Planning and Implementing a Citizen Participation Process

Summary

This session will discuss techniques for meeting with citizens and determining their goals and priorities for the community. If citizens are in favour of the goals set out by the LA, donor agencies are more likely to support the activities and the grant application.

Key Points

- Working with citizens using any of the following methods to determine community needs and plans will convince donors that the needs and plans were devised with community input and truly reflect community priorities.

Citizen Participation Techniques

The term ‘technique’ is used in this workshop to describe any method planned by a LA to inform, educate or solicit the assistance of citizens in planning and decision-making. Thirteen common citizen participation techniques are described in the following tables. These techniques are of two main types, **Type 1**) techniques that are specifically designed to involve citizens in the decision-making process and **Type 2**) techniques designed to educate and inform citizens but not necessarily to obtain their ideas and opinions. More details on these thirteen techniques, with descriptions and examples of their use, can be found in the discussion later on in this session.

Type 1 Techniques	Definition/Purpose	Example
1. Public Hearing or Meeting	Formal structured hearing, usually called by the LA council.	Meet legal requirements to inform citizens about the proposed budget.
2. Town Hall Meeting	Informal assembly usually held in a recreation building, school, church, library or other facility.	Status report on waste collection programme in a specific geographical area.
3. Citizen Opinion/Attitude Survey	Gathering information about citizens' attitudes without holding a group meeting.	Reactions to a proposal to increase fees for cultural events.
4. Focus Group Meeting	Meeting of a selected group of citizens to gauge the probable response of a larger group.	Find out the nature and strength of citizen sentiment about a controversial local issue.
5. Ad Hoc Advisory Committee and Task Force	Group of citizens appointed to provide advice on issue(s). May be on-going or, in the case of a task force, focused upon a single issue.	Preschool Committee to suggest locations needed for a new preschool.
6. Boards and Commissions	Groups of citizens appointed to provide control, management and maintenance of a specific function.	Advisory Board for review and evaluation of the annual budget process.
7. Community Association/Board	Group of citizens organized around a common interest or issue.	Group formed to defeat a proposed fee increase for the use of a city facility such as a recreation building.
8. Community Office	Funded and operated by the LA. This is a 'Satellite LA', established to serve a geographical area where citizens can go to receive certain services.	Services could include health care, social assistance or payment of fees.

Type 2 Techniques	Definition/Purpose	Example
9. Ombudsman	A non-partisan public official who investigates people's complaints about government officials or agencies.	Resolving a complaint over a building code enforcement citation.
10. Open Door Programme (Accessibility)	A method to encourage citizens to visit City Hall or a Community Office on a walk-in basis, any day of the week, not just on public days.	Visit the LA, without an appointment, to complain about solid waste not being collected.
11. Public Information	Information provided in the form of press releases, interviews, notices, pamphlets, etc.	Publication of a flier that describes city health care services.
12. Education Programmes and Popular Reporting	Direct information/education programmes that provide citizens an opportunity to meet face-to-face with their elected representatives.	Speech to school children about the budget.
	Popular reports are easy to understand summaries of the city's financial position and achievements.	Use of graphs to demonstrate where financial resources were spent in the past year.
13. Citizen Service Request Office (Complaints, Suggestions and Information)	Centralized clearing house established to receive and respond to citizen requests for assistance and information.	Local representative acts as an agent for the citizen to refer a payment complaint to the department concerned and reports back to the citizen with the result.

Compendium of Citizen Participation Techniques

This section of the training module discusses a number of citizen participation techniques used by LAs. Two handouts are included at the end of this session: Planning a LA Community Involvement Programme and Checklist for Preparing and Conducting a Successful LA Community Meeting.

1. Public Hearing or Meeting

Definition/Purpose

A public hearing or meeting is a formal, structured event. It is commonly used to gather citizen comments related to the annual budget. A public hearing may be a requirement of law or policy.

Process

The council calls a public hearing by posting a notice in a public place (on sign boards). The date, time, location and purpose of the hearing is included in the notice. The council usually holds the hearing during regularly scheduled council meetings at the LA. The council sets the format of the public hearing and it may include presentations by staff. The council establishes rules that govern the public hearing and may limit speaking time to ensure that all citizens are given an opportunity to be heard. Where large numbers of citizens are expected, speakers may be required to sign up in advance to speak before the council.

Advantages/Disadvantages

A formal public hearing reaches large numbers of people and provides opportunities for the public to comment directly on an issue. There can be an opportunity to respond directly and immediately with questions and comments and to clarify facts or ideas. All sides of an issue can be heard. A public hearing provides a forum for community leaders to express their positions on issues and provides an outlet for venting anger or frustration. A public hearing is an expensive means of obtaining citizen comments on an issue and has limitations. It is not an effective forum for conveying complex ideas or detailed information. Public hearings do not provide for in-depth discussions or appreciation of different viewpoints as they can be dominated by vocal individuals with narrow interests. Public hearings are not well suited to building consensus or making a decision. Facilitation is critical but difficult, and public hearings can stray off the planned agenda. It can be difficult to prevent confrontation.

Appealing to People's Pride and Sense of Fairness

The local Revenue Officer began his remarks at a crowded public hearing on the budget by acknowledging his and the participants' shared concerns "I understand our neighbourhood's concern about the need to invest more in adequate traffic control. My ten year-old son crosses Main Road every day to go to school, and in our neighbourhood parents formed a safety patrol to try and slow the traffic down in the morning." Later he commented, "We've all watched our LA grow, and I'm proud to say that so far we've been able to work together to solve the tough issues."

2. Town Hall Meeting

Definition/Purpose

Town Hall meetings are a variation of the formal public hearing. They serve the same purpose, to solicit citizen comments, but are less formal. Meeting dates and times are coordinated with local residents and are held in the community or neighbourhood.

The agenda focuses on a single issue. The informal structure of the Town Hall meeting allows for in-depth discussion, direct and immediate response to questions and comments, and clarification of facts or ideas. Town Hall meetings may be a requirement of local policy.

Process

As an example, a Town Hall meeting is called to discuss the development of a neighbourhood improvement plan. First, the LA officials make a presentation to its citizens in attendance. This provides general information on the issue. Members of the responsible departments answer any citizen questions and record the comments. Locally elected officials are usually present and moderate the discussion.

Advantages/Disadvantages

As the Town Hall meeting is informal and focused on a single issue, it is an effective technique to solicit, receive and discuss public comments. Town Hall meetings, because of their size and informal structure, are better suited to build consensus for decision-making.

The logistics of setting up and conducting a meeting outside the LA, the need to hold multiple meetings in different parts of the community, and the costs involved, may be viewed as disadvantages to this technique. However, from a different perspective, the first two objections can be positive aspects of the technique. If the LA is seen as being out of touch with its citizens, Town Hall meetings can be a perfect opportunity to get out into the community, change that perception and demonstrate commitment to citizen participation. Facilitation is critical to a Town Hall meeting in order to keep to the planned agenda.

Advertising a Town Hall Meeting

A city council in a small community was anxious that all its citizens should be informed about a forthcoming Town Hall meeting to consider the merits of a proposed comprehensive land-use plan. On advice of staff, the council invested in a fifteen-foot banner and hung it outside the LA, facing the busiest city street. Everyone who passed through town saw the sign and many commented on it favourably when they came to the meeting.

3. Citizen Opinion/Attitude Survey

Definition/Purpose

This technique is used to gather factual information about citizens' attitudes and opinions, usually regarding the quality and financing of LA services. An opinion survey can include the general population or a specific group of users. It may cover all municipal services or just one service, such as the use and condition of parks and open space. The results are used to determine citizens' priorities for services, evaluate existing services and investigate the citizens' willingness to support tax or increases in usage fees.

Process

Developing a quality citizen attitude survey usually requires the assistance of an experienced outside agent. City staff can assist the process by developing suggested questions for the survey, but the agent usually prepares the questionnaire, conducts the survey and evaluates the results. The survey can be conducted by telephone, in person or by mail. Personal surveys (obtaining answers in person) tend to be more expensive but are more accurate than surveys carried out by mail.

Advantages/Disadvantages

A scientifically conducted survey, based on a good representative sample of the entire community has the advantage of recording the answers of all the residents, not just the voter, the politically active or the influential. By conducting a survey on a recurring basis (every two to three years) using similar questions, local officials can determine any changes in public opinion and whether actions taken in the interim have been effective in influencing public opinion.

4. Focus Group Meeting

Definition/Purpose

A focus group is a meeting of selected citizens. It is designed to gauge the probable response of one or more large groups to a LA proposal or initiative.

Process

A consultant usually facilitates a focus group. Approximately ten people are selected for each group. They represent a cross-section of the community. The group is asked questions in an objective manner about the proposal or initiative. The individual and group responses are either recorded by audiotape or with extensive written notes so the information can be analyzed later. The same interview process is repeated three or four times with different groups to gather comparative information.

Advantages/Disadvantages

Focus group meetings provide a detailed understanding of people's concerns and values by bringing together people who represent different perspectives. Focus group meetings tend to be less expensive than opinion surveys. They are also less time consuming than fully-fledged opinion surveys. Focus group meetings are spontaneous in that participants may volunteer information that you might not have thought to ask in an opinion survey.

Focus group meetings are not effective in providing information to the general public. They are not designed to build consensus or make decisions. They are also not scientific and it is difficult to quantify the results. The findings point you in the right direction and it is wise to use the feedback as a guideline for further research. The success of focus groups often depends on the availability of outside expertise.

5. Ad Hoc Advisory Committee and Task Force

Definition/Purpose

An Advisory Committee is a group of citizens appointed to provide continuing advice on issue(s) to the council. A Task Force is a group of citizens appointed to work on a specific objective or problem. It exists only for the time necessary to complete the task. A Task Force may also be a sub-committee to a larger advisory group and is limited in size so that it can be an effective working body. In both cases, the selection of members is critical. Membership must be broad yet not too large, and must be representative.

Advisory Committees are good for organizing and coordinating input from a wide range of people. They are especially useful for developing consensus for action on complex issues that touch upon many facets of the community.

Process

Expectations of the role of the Advisory Committee or Task Force must be clear to all parties. Putting these expectations in writing is an excellent way to guide the Advisory Committee or Task Force in their assignment as well as to terminate it when the job is complete.

Advantages/Disadvantages

Advisory Committees and Task Forces are effective in focusing attention on an important issue for a short period of time. They are useful in organizing input from a wide range of people and developing consensus for action on complex issues that touch upon many facets of the community. They are disbanded when the work is complete. However, without clear guidelines, specific tasks and limits, they can assume a life unto themselves.

6. Boards and Commissions

Definition/Purpose

Typically the term 'board' refers to the LA or municipal board, which consists of council members appointed by the council to serve as an advisory body to the Mayor.

To ensure a broad representation on policy and geographical issues, councils often select council committee chairpersons plus some representatives from geographical districts to serve on boards. Boards and commissions, control, manage and maintain a specific function.

Process

A board or commission is established by local ordinance which stipulates how the body is constituted, the qualifications of the members and its duties. Board and commission members serve at the pleasure of council for a term specified by law but typically have the same term as the council. In Sri Lanka, most city councils have established permanent standing committees to deal with long-term complex policy development or planning issues. Depending on local law and practice, advisory committees may consist of, 1) all elected council members, 2) part elected council members and part citizens or 3) all citizens.

Advantages/Disadvantages

Standing boards and commissions are effective for providing citizens with an overview of specific LA activities. Citizens also bring specialized expertise to the LA and gain experience for future leadership roles. However, boards and commissions are not effective in providing information to the general public or developing consensus outside their area of responsibility. They can become so narrowly focused on a single function that they lose sight of larger, citywide issues.

7. Community Association/Board

Definition/Purpose

A community association/board comprises of a group of citizens organized around a common interest on an issue(s) related to a specific geographical area e.g. zoning, land use or neighbourhood planning. It provides a forum for discussing problems and exchanging ideas between city staff and association members. The association has been successfully used to administer neighbourhood projects and service delivery contracts.

Process

Community associations may be a legal entity or informally organized. Membership is open to all residents, property owners, business licensees and representatives of not-for-profit organizations in the area. Each association annually elects a board of officers to lead the organization and to represent the interests of the association to outside groups. Committees within the association are established to focus on specific issues such as planning, traffic or economic development.

The Council can establish an office in the LA for coordinating and communicating with community associations. The following is a suggested list of basic functions for such an office:

- Notify interested persons of meetings, hearings, elections and other events.
- Provide for the sharing of information and maintain a list of reports, studies, data sources and other available materials.
- Provide referral services to individuals, community associations and others.
- Keep an up-to-date list of community associations and their principal officers.
- Assist community volunteers in coordinating projects on behalf of neighbourhood 'live-ability'.
- Encourage individuals to work with existing community associations where possible.
- Assist community associations in reproducing and mailing newsletters and other printed matter.
- Act as a liaison between community associations and municipal agencies.
- Assist in contracts with other municipal agencies on behalf of community associations or other interested individuals.
- Assist in educational efforts related to citizen participation in municipal government.

Advantages/Disadvantages

Community associations tend to lack permanence. They are often created in response to a single issue in which residents mobilize to address the issue and then disband when the problem is solved or interest subsides. To promote the long-term continuance of community associations, local officials should provide support in terms of staff and resources.

8. Community Office

Definition/Purpose

This is a variation of the community board/association described above, but it is typically funded and operated by the LA. It can provide one or a group of services depending upon needs. Services typically include, health care, social assistance and aid to pensioners. It extends municipal services into a geographical district or neighbourhood of the LA, and brings the LA to citizens rather than citizens to the LA.

Process

LA officials determine which services can best be provided by community-based offices. In doing so, they should consider the benefits and costs of decentralizing an activity both from city and citizen viewpoints. Operational funding is provided through the annual budget.

Advantages/Disadvantages

Community offices are decentralized, and as such, they are more accessible to the public and foster close rapport and improved communication with citizens. The office becomes part of the community and creates an increased level of trust towards government. After a neighbourhood office is established in a community, involving citizens in citizen participation activities is much easier. The disadvantage of community offices is that workers tend to focus on issues within their geographical area and may overlook citywide issues and needs. Also, decentralizing some services may increase costs for the LA.

9. Ombudsman

Definition/Purpose

An ombudsman is a non-partisan public official who investigates people's complaints about government officials or agencies. The scope of work varies by city, but usually involves complaints of unjust or harsh treatment on matters such as housing, taxation, voting or old age pension payments.

Process

LA elected officials determine the need for an office of ombudsman in accordance with law. If there is a need, they generally establish the duties and responsibilities by ordinance. An ombudsman is appointed following local personnel policies.

After investigating a complaint, the ombudsman may dismiss it or may seek correction of the problem by persuasion, publicity or occasionally by recommending prosecution.

Advantages/Disadvantages

An ombudsman meets citizens' need for impartial and informal handling of complaints. The programme is designed to improve government's response to citizens' concerns in a fair and impartial manner. It is particularity effective in helping citizens deal with the complexities of bureaucracy in large cities.

10. Open Door Programme (Accessibility)

Definition/Purpose

The open door programme encourages citizens to visit the LA or a community office at any time on a walk-in basis.

Process

Currently, LA governments in Sri Lanka designate the hours each day that citizens can visit City Hall to conduct business, i.e. pay bills, resolve problems, obtain licenses and permits. For example, one LA might set the hours for the public as follows:

- Monday, 09:00–16:00
- Tuesday, 09:00–16:00
- Wednesday, 09:00–17:00
- Thursday, 09:00–16:00
- Friday, 08:00–15:00

Establishing regular hours of operation for City Hall shows that City Hall and staff are accessible and open to citizen issues and concerns.

Advantages/Disadvantages

An open door programme facilitates communication with citizens. Opening city facilities to the public on all days that employees work may increase costs, but will generate far greater intangible benefits due to the perception that government is open, there to serve, and available to hear concerns and issues.

11. Public Information

Definition/Purpose

Public information is provided in the form of notices, interviews, pamphlets, etc. There may be a public information department responsible for this function. Public information keeps citizens informed of the activities of the city.

Process

LA officials who decide to use public information staff to support citizen participation activities must ensure that the staff are seen as objective and are a credible source of information.

Advantages/Disadvantages

A strong and effective public information programme creates a positive environment. Well-informed citizens are able to participate more intelligently, have a better understanding of programme issues and impacts of various actions and a historical perspective to the programme being initiated.

Citizens have been known to criticize the public information staff for not supplying objective information, believing that the public information staff acted as a marketing organization for the city. When this happens, the public information efforts undermine the citizen participation programme.

12. Education Programmes and Popular Reporting

Definition/Purpose

Direct education programmes are those in which LA officials or staff present a programme directly to the public, e.g. a talk with school children about LA activities. Indirect education programmes still provide public information, but use printed material to convey the message instead of a person. Popular reports are designed to communicate in a simple and straightforward way by avoiding complex terms and bureaucratic wording.

Direct education programmes provide personal contact with the citizen. Indirect education programmes provide information. Popular reports are an easy-to-use method for providing important financial and operating information to citizens.

Process

Typical educational materials include pamphlets, newsletters, publications and reports. Some of the more innovative LAs have attempted to explain financial reporting for annual budgets and end-of-year accounting. The current expression for this practice is 'popular reporting'.

Advantages/Disadvantages

A direct education programme provides an opportunity to present information, interact with the audience, ask and answer questions, respond immediately to concerns and issues, and put a 'human face' on what would otherwise seem like a faceless bureaucracy. Citizens like popular reporting because it summarizes information, uses charts and graphs to display complex ideas and is easy to read. Documents such as the Budget in Brief and Annual Performance Report convey a lot of information in a 20-25 page booklet. The booklets are widely disseminated to the general public and often used in citizen education and citizen participation programmes. The LA of Hatton-Dickoya prepares an Annual Performance Report for citizens interested in how the LA's finances are being managed. Copies of these excellent documents may be obtained by contacting the Chairman of that LA.

13. Citizen Service Request Office (Complaints, Suggestions and Information)

Definition/Purpose

A Citizen Service Request Office is a centralized clearinghouse established to receive and respond to citizen requests for assistance or information. It provides a single point of contact, and from the citizen's point of view, is simpler than directly contacting City Hall. No longer does the citizen have to know who to contact or which department to call to be able to get information or have a service request handled.

Process

These requests generally come to the office by mail, telephone or in person.

The office is designed to:

- Provide information, or if a service is requested, record the request and route it to the proper department for action. When the job has been completed, the citizen is notified of the action taken.
- Help council and citizens obtain action on requests for information and service.
- Improve responsiveness of the LA.
- Coordinate the municipal service response effort of the LA.
- Provide an internal communication network available to all city departments.

Advantages/Disadvantages

Centralizing the information and service requests, allows the LA to track the requests and ensure that they are acted upon within a specified time frame. The result confirms to the citizen that the request has been completed and builds LA credibility.

Establishing a Citizen Service Request Office can be costly and thus a major disadvantage. However, if a LA decides to create such a department, they should consider using existing employees who are already carrying out this type of work. Anyone whose current job consists of dealing with customer information and service requests more than 60% of the time is a potential resource to staff a central agency.

Which Citizen Participation Technique to Use?

A strategy for selecting a citizen participation technique is to focus on the purpose to be achieved by involving the citizen. Typical purposes are to:

- Inform the public about LA initiatives and keep them informed as they take part in the decision-making process.
- Educate the public about the rationale for a LA initiative, or the advantages and disadvantages of alternatives.
- Solicit information from the public to augment other sources of information.
- Consult with the public to learn what they know and how they feel about a LA initiative.
- Involve the public in planning to develop programme goals, strategies and visions for the future.
- Obtain feedback from the public about the impact of a LA initiative on them or their neighbourhood.
- Provide general feedback to the public on the impact of LA initiatives and follow-on activities.
- Involve members of the public directly in decision-making through participation in the activities of on-going Boards, Commissions and Committees.

Matching Citizen Participation Techniques to Purposes							
Technique	**Inform**	**Educate**	**Solicit Information**	**Consult**	**Plan**	**Feedback**	**On-going Interaction**
Public Hearing	●	●	●	●			
Town Hall Meeting	●	●	●	●		●	
Opinion Survey	●		●	●		●	
Focus Group	●		●	●		●	
Advisory Committee	●	●	●	●	●	●	●
Boards/Commissions	●	●	●	●	●	●	●
Cable TV Internet	●	●	●	●		●	●
Community Association	●	●	●	●	●	●	●
Community Office	●	●	●	●	●	●	●
Ombudsman	●	●	●				
Open-Door	●	●	●				
Public Information	●	●					
Education Programmes	●	●					
Citizen Service Office	●	●					
Media Relations	●	●					

Exercise

Using the Community to Empower your LA – Steps for Planning and Implementing a Citizen Participation Process.

Purpose: To learn the steps involved in starting a Citizen Participation Programme that will empower the LA to work hand-in-hand with the community. Give participants the skills in choosing and practising the right form of participation in cases where citizens need to be involved in LA affairs.

Process: Hand out copies of the exercise worksheet on the next page. Tell participants they will be working in small groups on an exercise that calls for them to match given scenarios with one of the seven citizen participation techniques listed.

Ask participants to work independently on the matching exercise. When finished, ask them to share their results with other members of their small group. Explain that each group is to deliberate on each participant's results and to find a group solution to the matching exercise. Each group should then write down an example of a situation in which that type of citizen participation technique might be used.

In 20 minutes, ask the groups to report back on the results of the matching task and to share some of their answers.

Exercise Worksheet: Types of Participation

Match the seven types of citizen participation techniques with the seven scenarios. Then work together in small groups to write down an example of how each type might be used.

Types of Participation

1. Advisory Committee
2. Citizen Survey
3. Focus Group
4. Interview
5. Public Hearing
6. Workshop
7. Written/Electronic Media

Gather information on a variety of issues from a large number of citizens.

(Example)

____

Stimulate thought and the flow of creative ideas for problem solving or decision-making.

(Example)

____

Identify the nature and intensity of feeling within a group about a set of issues.

(Example)

____

Solicit input/reaction from time-to-time from a select group on work-in-progress.

(Example)

____

Obtain points of view and information about a subject from representatives of a group.

(Example)

____

Inform people about or persuade them to support a project.

(Example)

____

Explain why, when, where and how a project is to be carried out.

(Example)

____

Community Planning Handout 1

Planning a LA Community Involvement Programme

1. **Identify the key issues of the entire community.**
2. **Define the objective/s of a community empowerment programme and relate it to the overall goals of the LA.**
3. **Seek organizational commitment from LA officials to a community participatory approach within the LA.**
4. **Consult with others at City Hall.**

   Coordinate and involve other departments, agencies, and/or affected governments.

   Determine whether the LA needs a trained facilitator to organize meetings.

   Review the schedules and availability of key LA personnel.

   Determine community planning programme requirements (personnel and financial resources).

   Determine information requirements.

5. **Identify key persons, departments and organizations that will be affected by the programme.**

   Develop an overall profile of the community.

   Identify by name, any persons, agencies, etc., who are willing to participate.

   Clarify general issues important to the entire community.

   Develop contacts and rapport with community leaders.

   Interview community leaders in order to understand their concerns.

Programme Development

6. **Draft Community Participation Programme.**

   Circulate background information, lists of community issues and options for reviewing them.

   Determine the decision-making process for the LA citizen participation programme.

   Determine objectives for each stage of the citizen participation programme.

   Design citizen participation opportunities with techniques for implementing them.

   Establish monitoring and evaluation efforts in order to gauge the success of the programme.

7. **Meet with key persons in the community affected by the process or programme.**

   Confirm that the issues and options drafted are the correct ones.

   Confirm the overall objectives for each step of the citizen participation programme.

   If you are using a facilitator, ensure key persons approve the selection.

   Seek advice on the overall design of the programmes and techniques used in each stage.

8. **Finalize programme design.**

   Finalize programme requirements (personnel and financial resources) and obtain LA approval.

   Finalize information requirements necessary to start the programme.

Finalize monitoring and evaluation efforts that will gauge the success of the programme.

Finalize schedules and work assignments for LA personnel and community participants.

9. **Consult with key persons and other public agencies on final design as applicable.**

    Analyze the results of previous meetings.

    Make changes and revise the draft programme plan as required.

    Determine additional decision-making processes as required.

Programme Approval

10. **Obtain a decision on the final citizen participation programme design and schedule.**

    Publicize the decision with the reasons for each of the steps in the programme.

    Emphasize accountability on the part of all persons involved, both LA staff and community participants.

Programme Implementation

11. **Involve participants in implementation and evaluation.**

Programme Evaluation

12. **Evaluate the programme.**

    Seek comments from key persons and others on the consultative part of the programme.

    Evaluate the results of the participation programme. Did it achieve its objectives?

    Document the evaluation results for learning/reference purposes on future participation processes.

Community Planning Handout 2

Checklist for Preparing and Conducting a Successful LA Community Meeting

Pre-Meeting Planning

- Has a meeting space been located and reserved? Is it possible to hold the meeting in a venue, other than the LA building?
- Has the meeting space been checked and arrangements made for keys, seating and cleaning?
- Does the meeting space have adequate lighting? Can the room be darkened?
- Are audiovisual equipment, microphone and extension cords available at the meeting space? If not, who will provide them?
- Is the location accessible by bus transport? Can participants get to the location easily?
- Are participant handouts prepared: agenda, information sheets, feedback forms?
- Is the sign-in or registration form prepared? Are there adequate pens and paper?
- Are nametags required?
- Are signs posted to direct participants to the correct building/meeting room?
- Are refreshments being provided: coffee, tea and mineral water?
- Are flip charts, easels, markers and paper available in the meeting room?
- Have facilitators, note-takers and presenters been assigned?
- Do other local officials who plan to attend know their roles?

Meeting Notice

- Has a mailing list been developed? Updated?
- Has the public notice for signboards been posted/published? Is the wording of the objective consistent?
- Is there any news media invited?
- Have all key community persons, council members and departments been personally contacted regarding the meeting?

At the Meeting

- Are seats placed in a circular arrangement to encourage discussion among the participants? Don't use the stage or lectern because it discourages discussion.
- Are there too many chairs? People tend to sit at the back. Avoid a front table and use chairs only.
- Identify water closets (WC) with signs.
- Clarify the role of the facilitator, if used.
- Review the rules of the meeting and attempt to get agreement.
- Ensure that the participants understand and accept the objective of the meeting.
- Start and finish on time. Advise participants at the beginning of the meeting how long the meeting will last and expected time to adjourn. This is professional courtesy.

- Make sure flip charts and other audiovisual aids can be seen by the participants in the room.
- Keep presentation as short as possible (15 minutes maximum).
- Provide maps, clear instructions and signs to rooms for small group discussions.
- Ensure that participants complete and hand in meeting evaluation forms.
- Make sure that participants leave the meeting knowing what has been accomplished and what will happen next.

After the Meeting

- Transcribe flip charts and meeting notes.
- Add names from registration to mailing list to announce future meetings.
- Review the evaluation forms and summarize them.
- Make copies of notes or summaries of the meeting and make them available as soon as possible.

STAGE 3

SESSION 7: SUBMITTING A GRANT PROPOSAL

Summary

This session will discuss the process involved in submitting a grant proposal to a funding agency. The most important thing is to ensure that the donor receives the proposal.

Key Points

- Many donors have submission policies. Make sure you are aware of these policies as well as the deadline date for submission of the grant application.
- Ensure that the donor agency tells you your grant application has been submitted correctly. Many agencies 'log in' the applications to make sure they have met the deadline. Be 100% sure that your application has been received.
- If you have not received any information concerning your application and the funding decision date has passed, you should contact the donor and ask if they need any additional information. However, be sure not to contact the donor too frequently.

Once the proposal is complete, submit it to the funding agency. The method of submission should conform to the requirements of the funding agency. A date, time and office location may be specified for delivery of the proposal. Multiple copies may be required, or proposals may only be accepted during certain times of the year. The proposal should be submitted to only one funding source at a time.

Once the proposal has been received and 'logged in' by the funding agency, it will be reviewed and screened. One of the first review activities performed by the agency is to ensure that the project is consistent with the agency's mission and purpose. Agency staff will also check to ensure the application is complete and follows the programme grant submission requirements. If the proposal meets these initial requirements, then it will be reviewed by programme staff or sometimes a panel of reviewers. Each agency will have its own criteria for judging proposals. However, nearly all agencies will consider the following:

- Does the applicant's experience and reputation indicate a record of effectiveness, results, efficient management, sound budgeting and planning?
- Will grant support solve or address an important problem/area of need?
- Is this project duplicating other efforts already targeting this problem?
- Are the goals and objectives well defined?
- Is this problem area important? To whom?
- Are there elements of innovation and creativity in the project?
- Does the project approach seem logical and realistic? Are the proposed staff credible and competent? Is the budget reasonable?
- Is there a plan for evaluation?

Certainly there are more criteria, but these are the common ones used in evaluating a proposal. After the review, the proposal will be assigned a rating such as approved, approved with modification required, disapproved or deferred.

Finally, the funding agency will determine if there are adequate resources to fund all the projects with the status, approved or approved with modification required. If the project is either approved or rejected, the applicant will be notified. If the project is approved with modifications required, the funding agency will notify the applicant as to whether the approach, budget or other aspects of the project need to be revised to meet the agency's requirement.

SESSION 8: ADMINISTERING A GRANT

Summary

This session provides instructions on steps to take once a grant has been won and a donor has agreed to provide funds to the LA.

Key Points:

- Once a grant has been awarded, the recipient organization is responsible and accountable for programme and financial stewardship of the grant.
- Failure to follow the awarding agency's accounting, reporting and programme requirements, could result in termination of the grant, or worse, a demand for repayment of the grant.
- There are six basic functions in grant administration (discussed below), which the Project Director and other staff should understand and implement.

Grant Administration

Once an organization has been awarded a grant, the Project Director/Coordinator must take responsibility for managing the grant. The recipient organization is now accountable for programme and financial stewardship of the grant. The awarding agency usually has specific accounting, reporting and programme requirements. Failure to follow any of these could result in termination of the grant, or worse, a demand for repayment of the grant. There are six basic functions in grant administration, and the Project Director and other staff should understand and be prepared to perform them. While they will vary depending on the funding agency, in general, these grant administration functions are as follows.

1. Understand and Respond to Requirements

Both the funding agency and the host agency (if there is one) will have a variety of requirements that will necessitate compliance. These include personnel procedures, such as hiring, compensation, employee benefits, and other personnel policies and practices; financial management regulations, such as accounting, procurement, travel, etc.; programmatic guidelines, including publication and dissemination of results, copyrights, research instruments and procedures; and reporting requirements, including progress and final reports, financial reports and evaluations. Failure to understand and comply with any of these requirements can create problems that can interfere with the project and cause unnecessary tension between the project team and/or the funding or host agency. For example, failure to follow the procurement procedures of the host agency can delay payment to a vendor who can in turn delay provision of needed supplies.

2. Organize the Project

Especially if the project is large or has many staff and/or consultants, a good organizational structure will need to be established. It is the responsibility of the Project Director to begin organizing the project staff, activities, and processes to accomplish the project and produce the results. The Project Director needs to recruit and provide orientation for staff, establish the physical space for the project, obtain equipment, set up procedures for reporting and financial management, set up project timetables, delegate tasks to other staff, communicate with advisory boards and other involved committees and establish expectations. The Project Director also needs to ensure that the host agency is prepared to receive and process the budgetary aspects of the project.

3. Direct and Control the Project

This means directing the programmatic, administrative, and financial activities and processes of the project so that they are efficiently carried out. Once the project's organizational structure and staff are established, the Project Director then uses the workplan as outlined in the proposal to proceed with the project. Management of the budget is the major means by which a Project Director can maintain control over project operations. In addition, it is also a primary tool in ensuring accountability to funders and host agencies for the proper use of funds allocated to the project. If there are multiple funding sources supporting the project, managing the budget becomes even more difficult, but also more important.

Maintaining cash flow is another responsibility of the Project Director. The critical factor is the arrangement with the funding agency regarding how often, in what amounts and under what conditions the project will receive its grant payments. The funding agency may send all or large percentages of the grant at the outset of the project, or may allow a limited advance against the grant. An understanding with the host agency may be necessary to avoid confusion about making payroll or paying vendors.

4 Communication and Report Writing

Communication channels must be established and maintained with the funding agency and other external groups, including how reports are to be prepared and issued. The Project Director should obtain the granting agency's exact requirements and expectations in this area, especially if continued receipt of grant money is contingent upon receipt of a report. At a minimum, a project is required to submit some type of final report on its activities and performance. Many granting agencies also expect that periodic reports, usually quarterly, be submitted.

In addition, some grants may call for periodic oral briefings to grant agency staff. The Project Director should establish a project reporting system at the beginning of the project in order to avoid having to reassemble reporting data that should have been captured on a timely basis. A schedule of reports, with due dates, should be established and staff assignments made for report preparation.

Writing project reports should be taken very seriously. Every report should be considered a 'deliverable' of the project. As such, each report makes a statement about the quality of the work performed under the grant project.

There are two basic kinds of reports to funding agencies, 1) a programme or content report and 2) a financial report. The programme report will concentrate on information such as: activities that took place during the period covered by the report; accomplishments in relation to the project's goals and work plan; an explanation of events affecting project performance or budget, and plans for overcoming them; and future activities. In addition, project staff should report any matters that occur between scheduled reports that may have a significant impact on the project budget or programme. Programme reports should be brief.

Financial reports are a special requirement of most funding agencies. The frequency of financial reporting can vary between agencies. Some funders want a report only at the end of the project, others may want reports on a quarterly or even monthly basis.

5. Develop Plans for Future Funding of the Project, or for its Termination

If the project is of a short duration, it is necessary to develop plans for terminating the project, which will entail determining the fate of all project staff and materials. In most cases, limited time projects will only require the part-time or shared use of staff, or reliance on consultants. The funding agency will expect project termination plans including submission of all final reports and the dissemination of project results.

If, on the other hand, the project is expected to lead into a programme of longer duration, plans should be made towards that end. There are two basic approaches to extending the project. First is anticipating re-funding of the project by the existing agency or second, attracting funds from other sources to continue the work. In the first approach, files and records should be developed in order to have materials on hand for a follow-up proposal. A sign of further commitment from the funding agency should be sought early on in the project period so that discussions can begin with other funding agencies if existing grant support is expected to end at the close of the current project.

The second approach for continuing the project is to find a permanent source of non-grant funding. The project may revert to a self-supported programme through the charging of fees for the service. For example, if the original project was to open a health centre in a poor section of the city, the centre may now be able to rely on client fees. Alternatively, budget support may be secured once the programme is established with a successful track record. A further alternative may be to develop contracts with the private sector to purchase services from the programme. For example, if the project were to develop a new transportation line between neighbourhoods, perhaps companies in those neighbourhoods would contract for services for their employees. The possibilities depend on the project and its potential for attracting support and commitment. Project Directors who believe in continuation of their projects should work towards achieving such support and commitment.

6. Prepare for Audits

Not every project is audited, but all should be managed as if expecting an audit. This means keeping written records that will permit reconstruction of all financial transactions related to the project. Audit activities are usually limited to the financial records, and project personnel may have little or no involvement in this process if they are not the personnel maintaining these records. The Project Director is responsible for ensuring that all records of expenditure and income are well-documented and up-to-date, and that all financial transactions are in accordance with the funding agency's financial administrative procedures. An auditor will expect answers to questions such as:

- What was the project's budget?
- What amount was actually spent and what for?
- Where did the money come from?
- Was all expenditure eligible under the rules of this grant?
- Was the amount of all expenditure reasonable?
- Where is the evidence that the work was actually carried out, the materials received and the expenditure made?

SESSION 9: CONCLUDING LEARNING TRANSFER EXERCISE: OVERCOMING OUR OBSTACLES

Concluding Exercise

Trainer's Note It is generally agreed that the purpose of training is to improve the way people do things by showing them a better way. In fact, the success of a training experience can be measured by the amount of personal growth and change that takes place both during training and after the training is over. Commitments to learning and change made at the close of a workshop can help participants overcome learning resistance in them and in the work environment. A trainer can help learners make a successful transition from the world of learning to the world of doing through a few simple planning exercises.

Purpose

This exercise will help participants transfer the learning experiences of the workshop into their real-world activities as Finance Directors. The focus of this exercise is on raising expectations, engaging in realistic planning and making personal commitments. Most of the work is done on a personal basis with some interpersonal sharing.

Process

Spend at least half an hour at the end of the workshop to focus the attention of participants on important things they have learnt and encourage them to continue experimenting with these in their management activities. Begin by giving participants about fifteen minutes to independently complete a simple, learning transfer questionnaire. To close the workshop, ask participants to quickly share with the group, two or three things they intend to do differently in their roles with respect to grants management.

A Learning Transfer Questionnaire

Take a few minutes to reflect on grants management, the new ideas you encountered in this workshop and how you feel about them. Then, in the space below, write a sentence or two to describe something interesting you have learnt about yourself during this workshop.

____

____

____

____

____

____

Based on what you have learnt about yourself and the many possibilities for change presented by this workshop, what two or three things do you intend to do differently in obtaining grants and using public funds to leverage the services of outside suppliers?

1. ____

   ____

   ____

   ____

2. ____

   ____

   ____

   ____

3. ____

   ____

   ____

   ____

   ____

Finally, what obstacles in yourself or in your work environment do you expect to experience during your efforts to implement these changes? What will you do to remove or minimize these obstacles?

Expected Obstacle	**Action to Remove It**
1. ______________________________	1. ______________________________
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________
2. ______________________________	2. ______________________________
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________
3. ______________________________	3. ______________________________
______________________________	______________________________
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