

## Incentive Grant Program Guidelines and Procedures

Southern Minnesota Initiative Foundation (SMIF) is a catalyst for economic growth in 20 Minnesota counties. We work to build a prosperous region with vibrant communities and innovative businesses. To accomplish this, we invest in early childhood education and economic development.

The Incentive Grant Program supports new asset-based approaches to current opportunities within our focus areas.

### Focus Areas

#### Early Childhood Development

SMIF supports projects that prepare our youngest children for a life of learning, achieving and succeeding. This may include early literacy projects, health promotion, kindergarten transition programs, programs that support social and emotional development, programs that support skilled and knowledgeable child care providers, or similar projects.

Please note the following regarding our Early Childhood grants: These grants are not intended to provide resources to existing early childhood education programs for expansion. Also, home visiting programs are specifically excluded; contact SMIF for more information about our Home Visiting Grant Program.

#### Economic Development

We support projects that help communities grow local business while building on the assets of the region. In particular, we support partnerships which help increase the capacity of community/organizational efforts to support entrepreneurs and advance the development of bio science initiatives. Projects may include training, collaboration development and technical assistance programs, or similar projects.

### Eligible Organizations

Only tax-exempt nonprofit organizations and units or agencies of local, state, or federal government that are located in or serve SMIF's 20-county service area are eligible to apply for SMIF grants.

### Requirements

- Grants up to \$20,000 are available.
- All grants require a dollar-for-dollar match. At least 25% of the match must be cash in hand at the time of the award. No more than 75% can be in-kind support. In-kind support is defined as goods or services (rather than cash) that are used to directly benefit the project.

## Restrictions

The following are excluded from consideration for Incentive Grants:

- Individuals, businesses, or other for-profit organizations
- General operating expenses
- Capital campaigns or endowments
- Existing deficits or projects already in progress or completed
- Organizations that have not satisfied a past grant obligation
- Replacement of discontinued government funding
- Funds for re-granting or to establish loan pools

## Funding Priorities and Review Criteria

SMIF will give priority consideration to applications which best demonstrate:

- Asset-based approaches—projects that maximize the strengths, talents, and resources of the local community
- Collaboration and partnership—projects that work with other organizations in unique and effective ways
- Measurable results—projects that can show quantitative results in SMIF focus areas
- Sustainability of local or other funding streams—projects that have solid plans for continuation outside of SMIF funding
- Leveraged funding—projects that access all available resources and maximize SMIF's investment

## Proposal Components

SMIF applications can be found at [www.smifoundation.org/applications.php](http://www.smifoundation.org/applications.php) during July and August 2011. Incentive Grant applications consist of a cover page, narrative, budget form, and attachments.

## Impact Indicators

SMIF has identified several Impact Indicators that we use to track the effectiveness of our grant programs. Each applicant is asked to identify the focus area addressed by their proposal and identify at least two Impact Indicators (from chart) which they will commit to addressing in their final grant report.

Focus Area	Impact Indicator
Early Childhood Development	
Strengthen opportunities for young children so they can thrive	<ul style="list-style-type: none"><li>▪ Increased partnerships with providers, educators, government, and business</li><li>▪ Increased funding resources</li><li>▪ Effective and coordinated early care and education</li><li>▪ At-risk families accessing early learning opportunities</li><li>▪ More children ready for kindergarten</li></ul>

Focus Area	Impact Indicator
Economic Development	
Strengthen opportunities and partnerships to grow local entrepreneurs	<ul style="list-style-type: none"> <li>▪ New enterprises, products, markets developed</li> <li>▪ Increased funding sources for business startup or expansion</li> <li>▪ Increased training or services to start or expand business</li> <li>▪ Jobs created and maintained</li> <li>▪ Business profits increase</li> </ul>
Strengthen opportunities and partnerships to grow bioscience businesses	<ul style="list-style-type: none"> <li>▪ New enterprises, products, markets developed</li> <li>▪ New patents issued</li> <li>▪ Increased funding sources</li> <li>▪ Evidence of increased collaboration among business, education and government sectors</li> <li>▪ Jobs created and maintained</li> </ul>

**Attachments (all documentation required by deadline or application will be ineligible)**

Please include with your application:

- Completed application
- Project Budget Worksheet (balanced)
- Audited financials or filed tax forms (if unaudited)
- IRS determination letter (if 501(c) organization)
- Letters of support from partner organization(s), to include a summary of each partner’s past relationship with your organization and a description of how they will contribute to the project proposed in the application.

**Application Deadline**

SMIF accepts grant applications twice a year. Deadlines are **February 15** and **August 30**. Applications may be submitted by email or mailed with those post marks.

**Grant Review Process**

SMIF staff review all grant applications. Applications that are eligible, address a SMIF focus area, and are the best fit with our values will be given a full review including a site visit.

Site Visits are intended to gain additional information about the organization and the proposal. Generally lasting an hour, the applicant will be asked to invite individuals who can shed the most light on the proposed project.

Staff makes recommendations to the SMIF Grant Committee comprised of Board Trustees and community members; the Grant Committee makes the final decisions on behalf of the full Board.

All grant recipients will sign a grant contract that outlines the grant activity, reporting requirements and payment schedule. All recipients will submit interim and final grant reports as outlined in the grant contract. No previous grantee will be considered for continued or additional funding until it has submitted all required reports.

## Contact Us

We encourage prospective grant applicants to contact staff with questions. Staff is committed to providing assistance throughout the application process.

Jennifer Heien  
Grants Associate  
507-455-3215 x133  
[jenniferh@smifoundation.org](mailto:jenniferh@smifoundation.org)

Submit application and attachments via email, fax or mail to:

Southern Minnesota Initiative Foundation  
PO Box 695  
Owatonna, MN 55060  
Fax: 507-455-2098  
[jenniferh@smifoundation.org](mailto:jenniferh@smifoundation.org)

Incomplete grant applications or applications submitted after the deadline will not be considered. For those submitted electronically or via fax, a hard copy of the signature page must be received within 7 days of the grant deadline.

All applicants will be contacted via email or telephone to confirm receipt of their application.

For further information, call SMIF at 507-455-3215  
or visit our website at [www.smifoundation.org](http://www.smifoundation.org).

## Examples of Funded Incentive Grant Projects

### **Early Childhood Development and Education—Strengthen opportunities for young children so they can thrive:**

- \$18,940 to the **Owatonna School District** to begin a STEAM: Start to Empower and Mend program that will provide parenting classes and children's activities for families with young children and an incarcerated parent.
- \$20,000 to the **United Way of Faribault** to hold four Kindergarten Camps to prepare preschoolers for their first day of Kindergarten.
- \$10,000 to the **Fairmont School District and Fairmont Early Childhood Initiative** to provide parenting programming and resources at the workplace.

### **Economic Development—Create entrepreneur success to support prosperity:**

- \$20,000 to **Project FINE, Winona** to educate and support Hmong farmers in business and marketing, which will allow them to develop or expand a small business.
- \$20,000 to **LA-MANO Incorporated, Mankato** for the 'Entrepreneur Doorway Project' which links small business development service providers with diverse and immigrant populations.
- \$10,000 to the **Welcome Center Incorporated, Austin** to support business education, training and counseling to start or expand minority businesses.
- \$20,000 to **Red Wing Downtown Main Street** to support a downtown innovation incubator and technical infrastructure.
- \$19,400 to **Lanesboro Local** to launch a coordinated local foods and products campaign.

### **Economic Development—Grow bioscience business to increase regional economic vitality:**

- \$20,000 to the **Agricultural Utilization Research Institute, Waseca** to support Innovation Launching Pads that will help expand and develop new bio-production capacity in the region.
- \$20,000 to the **Region Nine Development Commission, Mankato** to compile renewable energy inventories and help grow biobusiness.

## Incentive Grant FAQs

### **What is the mission of the Southern Minnesota Initiative Foundation (SMIF)?**

Promoting regional economic opportunities and collaborations with a focus on entrepreneurs and early childhood development.

### **Do SMIF's focus areas change often?**

SMIF's focus areas are reviewed and adjusted at least once every five years in response to current trends and conditions within the region. However, SMIF's focus areas consistently relate to economic development and its vision of creating economic vitality and prosperity within the 20-county region. It's important that potential grant applicants check SMIF's website for the most current Incentive Grant Guidelines before applying for a grant.

### **The Incentive Grant guidelines state that your program supports "new asset-based approaches." What do you mean by "new"?**

We define "new" as new projects or programs, as well as new activities, new geography, and/or a new element to an existing program.

### **How much does SMIF award annually through Incentive Grants?**

SMIF typically awards up to \$200,000 annually in Incentive Grants; most grant awards are between \$15,000 - \$20,000.

### **What is a fiscal agent?**

A fiscal agent is an eligible organization that agrees to accept all financial and legal responsibility of the Incentive Grant.

### **What is a 501(c)(3) organization and how do I apply?**

To be tax-exempt under section 501(c)(3) of the Internal Revenue Code, an organization must be organized and operated exclusively for exempt purposes set forth in section 501(c)(3), and none of its earnings may inure to any private shareholder or individual. In addition, it may not be an action organization (i.e., it may not attempt to influence legislation as a substantial part of its activities and it may not participate in any campaign activity for or against political candidates). Please refer to [www.irs.gov](http://www.irs.gov) for more information.

### **The current status of my 501(c)(3) is pending, do I qualify?**

No. Applicants must have current IRS tax-exempt nonprofit status or an eligible fiscal agent.

### **May I apply for an Incentive Grant for a specific project on behalf of another organization, which does not have a 501(c)(3)?**

Yes, if you are willing to accept all financial and legal responsibility for the Incentive Grant. (See fiscal agent question above)

### **Can a collaborative apply for an Incentive Grant?**

SMIF encourages collaborative projects; however, only one organization must be responsible for financial, legal, and reporting obligations.

### **Where can I find grant writing technical assistance?**

There is a link to tips on writing a grant proposal on our webpage: [www.smifoundation.org](http://www.smifoundation.org) and click on "Applications."

**How can I improve my chances of receiving a grant from SMIF?**

Thoroughly read the guidelines before completing an application and make sure your program/project fits within the guidelines. Be sure to complete all applicable sections of the application. If you have questions, please call or email Jennifer Heien, Grants Associate, at 507-455-3215 or [jenniferh@smifoundation.org](mailto:jenniferh@smifoundation.org).

**How long do I have to complete my project?**

Incentive Grant projects must be completed within a one-year timeframe.

**If my grant is approved, how quickly will I receive the money?**

You should receive your check within two weeks once we receive your signed contract. A copy of the signed contract will be sent along with the check.

**If approved for a grant, will my organization receive the amount requested?**

Most grantees receive the amount they request in their grant application. However, SMIF's grant committee will make the final award determination.

**If an organization does not receive a grant, will SMIF explain the reasons for the decision?**

The reason for denial is included in the denial letter. If you have questions or are unclear as to why your application was denied, please contact a Grants Program staff member.

**What are the main reasons grant proposals do not receive funding?**

Our Incentive Grant Program is a competitive grant process entailing limited funding. The stronger grant applications (per our Grant Guidelines) offer the best chances of success.

The following are some of the reasons grants are denied funding. They include: applications for existing programs, projects already in progress, general operating expenses, for-profit business support, multi-year projects, capital funding, and sponsorship requests. Other factors that diminish the competitiveness of an application include lack of collaboration, lack of cash match, poor sustainability plan, incomplete application (missing required documents), weak connection to focus area, and low impact.

**Can an eligible organization resubmit an application if it was denied once?**

Yes. Organizations may re-submit a grant application if their project is eligible and a fit for our Incentive Grant program.

**Can I be considered for a new Incentive Grant if I have an Incentive Grant project that has not been completed?**

Organizations may have only one open grant at any given time. They must complete their current Incentive Grant project and submit a final report before they can be considered for another Incentive Grant request.

**How often can I apply for a grant?**

There is no limit on how many grant applications an organization submits. However, each project proposal must be submitted on separate application forms. (See question/answer above)