



November Funding Tip

Tip: Accessing Funding to Build Program Capacity – The Strengthening Communities Fund

Many youth-serving programs struggle to secure funding that can be used to build their organizational capacity. Different from funding for direct services, public funding that supports capacity-building activities, such as training, staff development, and evaluation is rare. The Strengthening Communities Fund (SCF) is a new federal program that helps build non-profits' organizational capacity to effectively deliver services that address the economic recovery issues in their communities.

In September of 2009, the federal Department of Health and Human Services awarded SCF grants to government entities and non-profit support organizations throughout the country to provide organizational capacity-building services such as training, technical assistance, and competitive financial assistance to community and faith-based organizations. ***This funding tip will describe how youth-serving organizations can potentially access SCF funds to build capacity and strengthen programs through partnerships with SCF grantees.***

When considering federal funding sources, program leaders should think strategically about which sources are worth pursuing. Consider the following questions to assess if a source meets your program's goals and resource needs.

1. **Does this funding support the goals and priorities of my organization?**
2. **How do I access these funds or services?** What types of programs or organizations can apply for funds? Can youth programs apply directly for the funds or do funds flow through other entities?
3. **Should I pursue this opportunity?** Is my organization well-positioned to access these funds or services? Given the expected return, is it worth the time and effort to apply?

1. Does this funding support the goals and priorities of my organization?

The SCF's purpose is to enable non-profit organizations to contribute to the economic recovery and to help government entities ensure that services available through the American Recovery and Reinvestment Act (ARRA) reach disadvantaged and hard-to-serve populations. The SCF directly funds two types of "lead" organizations: government-entities and non-profit intermediaries and support organizations. While community-based organizations that primarily provide direct services to youth are not eligible to be "lead" organizations, they can access SCF funding and support indirectly by participating as "project partners." Project partners can receive support from lead organizations in two primary ways:

A) Capacity Building-Training

- Lead organizations can provide training in areas such as:
 - organizational development (e.g. strengthening board governance);
 - program development (e.g. developing a job retraining curriculum);
 - collaboration and community engagement (e.g. developing referral systems);
 - leadership development (e.g. training volunteers, developing a succession plan);
 - evaluation of effectiveness (e.g. assessing program outcomes, launching a formal evaluation);

- developing capacity to offer additional services based on new needs that have arisen from the economic downturn and new relevant ARRA programs (e.g. offering weatherization activities or green jobs training); and
- forming new partnerships to apply for ARRA funding.

B) *Financial Assistance*

- Non-profit lead organizations are required to award a minimum of 55% of their funds to project partners through a competitive application process. Project partners can use funds to build their overall capacity through activities such as:
 - working toward attaining 501(c)(3) status;
 - developing sound financial systems; and
 - purchasing equipment or supplies that can improve program services.

2. **How do I access these funds?**

The information below describes the eligibility requirements for project partners and discusses how to partner with lead organizations.

Eligibility

- Community-based and faith-based non-profits that address the broad economic recovery issues in their communities are eligible for financial assistance and capacity-building training.
- Priority for financial assistance will be given to organizations that:
 - work with agencies responsible for administering the Temporary Assistance for Needy Families (TANF) program; and
 - have annual budgets that do not exceed \$500,000.
- While organizations must be non-profits, they do not need to have 501(c)(3) status or a sponsoring organization with 501(c)(3) status.
- There are no matching requirements for partner organizations receiving financial assistance.

Accessing Financial Assistance and Training

While the deadline for applying directly to the federal government for SCF grants has passed, youth-serving organizations may be able to access financial assistance or training by partnering with current SCF lead organizations. A list of lead organizations is available at: <http://www.acf.hhs.gov/programs/ocs/scf/funding.html>.

Youth-serving organizations can check this list for grantees that have a presence in their communities, and contact these organizations to learn about financial assistance or the capacity-building opportunities listed above.

3. **Should I pursue this opportunity?**

Below are some questions for youth program leaders to consider before pursuing this opportunity.

- Does my organization provide services to youth that contribute to economic recovery efforts (e.g., job placement and training, career readiness)?
- Does my organization currently access any funding sources that support internal capacity-building activities, such as developing an IT infrastructure?
- Does my organization currently access ARRA funding or programs? Does it serve individuals that are eligible for ARRA benefits or programs?
- Do any of the “lead” organizations in this program serve my community? Do I have a good relationship with any of these organizations?

Examples of Grantees in Action

- ✓ *Catholic Charities of Kansas City-St. Joseph* in Missouri will use their SCF grant to increase the operational capacity of about 40 local organizations through education, mentoring and funding.
- ✓ *The Knoxville Leadership Foundation* will work with partners from the TANF program as well as organizations focused on general economic recovery. Through a combination of direct funding and technical assistance, the project will help 50 grassroots organizations improve their service to families in need.
- ✓ *The Wisconsin Department of Children and Families* will use their SCF grant to provide training and technical assistance, education and easily accessible information on ARRA opportunities to up to 500 organizations that serve the state's most vulnerable populations.

Source: "HHS Awards \$46 Million in Recovery Act Funds to Create Jobs and Spur Economic Improvement." US Department of Health and Human Services News Release. Wednesday, September 30, 2009.

Other Resources:

The Finance Project has an extensive body of information and resources to help leaders finance and sustain effective *programs* that support the positive development of youth, and develop *systems* that provide an infrastructure to help coordinate and guide investments in youth.

Visit The Finance Project's [Youth Programs Resource Center](#) for tools and resources on financing, and sustaining youth programs. For more information on how to [Find Federal Funding](#) see The Finance Projects online database, which highlights over 100 federal funding sources that can support youth programs.

The Finance Project does not give grants or provide funding for projects. We provide leaders with the information, tools, advice, and training to identify financing strategies that fit their needs and to build their capacity to successfully sustain programs over time.