



SIERRA HEALTH FOUNDATION
An Endowment for Northern California

Capacity Building/Leadership Development for Minority-Led Organizations Funding Opportunity

Questions and Answers
Updated Feb. 8, 2010

FUNDING FOCUS

Q: How does Sierra Health Foundation define minority-led organizations?

A: For this funding opportunity, a minority-led organization is one:

- that has an explicit mission to serve racial and ethnic minority populations,
- in which at least half of its board of directors represent racial and ethnic minority populations, and
- in which key executive staff with policy- and decision-making authority represent racial and ethnic minority populations.

Q: Does an applicant organization need to meet all three of the above criteria to be eligible for this funding opportunity?

A: Yes.

Q: Does “represent racial and ethnic minority populations” mean that a board and its organization *serve* racial and ethnic minority populations or that key executive staff and half the board must *be* members of a racial or ethnic minority population?

A: By “represent racial and ethnic minority populations,” we mean that key executive staff and half the board are members of a racial or ethnic minority group. This is in addition to also having an explicit mission to serve racial and ethnic minority populations.

Q: Does Sierra Health Foundation require that all of an applicant organization's executive staff with policy- and decision-making authority represent racial and ethnic minority populations?

A: No, we do not require that 100% of the executive staff with policy- and decision-making authority be representative of racial and ethnic minority populations. In your application, describe the makeup of the executive staff.

Q: Do our organization's articles of incorporation or bylaws need to define the ethnicity of our organization's leadership?

A: No. You are asked to describe the racial/ethnic makeup of your organization's board and key executive staff with policy- and decision-making authority in your Proposal Narrative. However, if you have documentation to support your case, refer to it in your Proposal Narrative. Do not attach the bylaws or other documentation.

Q: Does our organization's mission need to state that the organization serves racial and ethnic minority populations?

A: No. Explain in your Proposal Narrative the population your organization serves. However, if your organization's mission does include a reference to the racial/ethnic population it serves, refer to it in your Proposal Narrative.

Q: How much can we apply for?

A: Sierra Health will award funds up to \$10,000.

Q: What is the total amount of money available for this funding?

A: \$75,000.

WHAT SIERRA HEALTH FOUNDATION WILL FUND

Q: May our organization apply for funds to support capacity building and/or leadership development activities *not* listed in the application instructions?

A: Yes. The application instructions contain a list of examples. Sierra Health encourages creative approaches based on promising practices and/or local innovation.

Q: Can administrative overhead be included in the request?

A: Yes, up to 15 percent.

Q: Can an applicant apply for general operating support?

A: No. This funding opportunity is for specific long-term capacity building and/or leadership development activities.

**GEOGRAPHIC FUNDING AREAS: Funding Region
Rural and Urban Designations**

Q: Will the funds be distributed to organizations across Sierra Health's funding region?

A: Our goal is to have a geographic distribution of funds to organizations with high-quality applications within the funding region.

Q: Will Sierra Health only award funds to one organization per county?

A: The awards are not limited to one organization per county.

Q: My organization is located outside Sierra Health's funding region, but serves within Sierra Health's region. Are we eligible to apply?

A: Yes. We will consider funding organizations that serve people living in one or more of the counties in Sierra Health's funding region, even if the applicant organization is located outside the region. However, organizations with a presence and demonstrated significant impact in the funding region may be more competitive.

HOW TO APPLY

Q: Can each applicant organization submit more than one application?

A: No. Only one application per 501(c)(3) organization will be considered.

Q: We are a chapter of a larger organization; there is another chapter located in Sierra Health's funding region. Can each office submit an application?

A: Only one application per 501(c)(3) organization will be considered. If each chapter is a separate 501(c)(3) organization, each can submit an application.

Q: We are a nonprofit organization with subgroups in five counties. Can each subgroup apply?

A: No. Only one application per 501(c)(3) organization will be considered.

Q: Can city or county government agencies apply?

A: No. This funding opportunity is open to 501(c)(3) organizations only.

Q: Will Sierra Health fund activities proposed by an organization in the process of applying for 501(c)(3) status?

A: Only applicant organizations that have a 501(c)(3) determination letter by the application deadline date are eligible to apply.

Q: I understand Sierra Health Foundation can't fund organizations with a 509(a)(3) designation. What is a 509(a)(3) organization?

A: The Pension Protection Act of 2006 states that grants from private foundations such as Sierra Health Foundation to supporting organizations, known as 509(a)(3) organizations, no longer qualify as charitable contributions. A supporting organization is a nonprofit organization that supports another nonprofit organization.

Example – XYZ Programs nonprofit organization decides to support a group of individuals that are working in an area that compliments their organization's mission. This work becomes known as ABC Services and operates as a project of XYZ Programs. Over time ABC Services grows and decides to file for tax exempt status so that it may receive some grants and donations directly. It is likely that ABC Services would be classified by the IRS as a 509(a)(3) supporting organization.

If your organization is identified as a 509(a)(3) supporting organization and you believe it should not be, contact the IRS at 1-877-829-5500. The IRS will assist you in the process to have your organization's tax status reconsidered.

Q: My 501(c)(3) organization is faith-based, and our service approach includes Christ-centered language. Are we eligible to apply?

A: Sierra Health does not fund requests for activities that exclusively benefit the member of sectarian or religious organizations or if specific religious activities are required of participants.

Q: Is the use of funds restricted to just one of the areas under "Primary Use of Funds" at the bottom of the application cover sheet?

A: No. That information is intended to help Sierra Health categorize requests. You can use the funds for more than one of the areas listed, but we ask applicants to select one of the areas as the primary. You can describe additional components of your activities in your narrative.

Q: Should the answers to the application questions be submitted as a separate attachment or incorporated into the application?

A: All sections of the application itself are part of one application form, and we prefer that all sections be submitted as one document. The sections include the Application Cover Sheet pages, the Proposal Narrative questions and answers, the Proposed Budget and Budget Explanation and the Performance Measures table. The 501(c)(3) determination letter and the financial statement may be submitted as separate attachments to the application e-mail. You may incorporate all of the required items listed above into one pdf document.

Q: Are applicants required to submit an audited financial statement?

A: No. We require a financial statement showing your organization's revenue and expenses for the most recent full year. Although preferred, this does not need to be from an audited statement, if not available. If your organization does have an audited statement, we ask that you only submit the summary page(s) from the audited statement. We primarily want to get a sense of the size of your organization, revenue sources and expenses.

Q: Will the financial report be taken into consideration when selecting organizations for funding?

A: If it is clear from the financial report that your organization is not financially sound, the proposal would be less likely to be funded than organizations in a sound financial situation.

Q: Because ours is a very small organization, we are not required to file a Form 990 with the IRS. Do we need to submit a financial statement with our application?

A: Yes. We are not asking for a Form 990. Please submit a financial statement showing revenue and expenses for a full year.

Q: May an applicant attach schematics or diagrams to help illustrate the proposed activities?

A: No. We are asking that no materials other than what is listed in the Application Materials Checklist be included with the application.

Q: If our 501(c)(3) determination letter is not in electronic form, should we send it via physical delivery?

A: No. Submit all required documents electronically. If your 501(c)(3) letter is not in electronic format, scan it and attach the resulting electronic file to your application e-mail.

Q: If we submit an application early and realize we need to correct some information in the application, may we resubmit a revised application?

A: No. Only submit your application once. While we encourage early applications, we ask that you not submit your application until you are confident it is complete and accurate.

Q: Is there a particular end date required?

A: Sierra Health funds should be expended on the funded activities within 12 months of the start date.

Q: Will you contact us if the reviewers have questions about our application?

A: It is possible

PROPOSED BUDGET

Q: Does the proposed budget need to reflect the Primary Use of Funds checked on page 1 of the Cover Sheet?

A: The proposed budget needs to support all that you proposed to do with Sierra Health funds, as described in question 4 of the Proposal Narrative.

Q: What is the allowable percentage of indirect costs?

A: Up to 15 percent.

Q: Where should indirect costs go on the Proposed Budget form?

A: Include indirect costs on a line under Miscellaneous.

Q: Is there a budget limit on consultant fees or board stipends?

A: No. The only budget limitations are the \$10,000 total request amount and up to 15% for indirect costs.

Q: Can the other sources of funding be in-kind?

A: Yes. List the value of any in-kind funding in the Other Funding Secured for Activities column of the Proposed Budget form and indicate in the Budget Explanation that it is in-kind.

Q: If we are applying for funding from other sources but that funding is not secured, where do we indicate that?

A: Explain that in the Proposal Narrative.

Q: Should staff time that will be covered by the applicant organization's internal funds be included in the Other Funding Secured for Activities column of the Proposed Budget form?

A: Yes.

PERFORMANCE MEASURES

Q: How specific should the information in the Performance Measures table be?

A: Provide enough detail so application reviewers have a clear picture of what the project is, the activities you plan to do with Sierra Health funds and the result you expect.

Q: Should our performance measures be related to how our organization will be strengthened or about the impact our funded activities will have on the community?

A: For this organizational capacity building/leadership development funding opportunity, your performance measures should capture the impact you expect your activities to have on your organization. It will be helpful for your organization to be also thinking about how this work will ultimately impact the community you serve, but measuring the community impact is not a requirement of this funding opportunity.

PROPOSAL REVIEW

Q: What is the proposal review process?

A: A review team reviews the proposals based on the criteria listed in the application materials.

AFTER FUNDING IS AWARDED

Q: How will the award be paid?

A: The award will be paid in full at the beginning of the funding period.

Q: Can the funded organization keep interest earned on the award dollars?

A: Yes.

Q: When should the start date be?

A: Between April 1 and May 31, 2010.

Q: What reporting is required of an organization receiving funding?

A: A final report of the funded activities, including a financial report showing how funds were spent, will be due 30 days after the funding agreement end date. Awarded organizations will report on their performance measures.

Q: Will there be another Capacity Building/Leadership Development for Minority-Led Organizations (MLO) funding cycle in 2010?

A: There are no plans at this time for another MLO funding cycle in 2010.

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