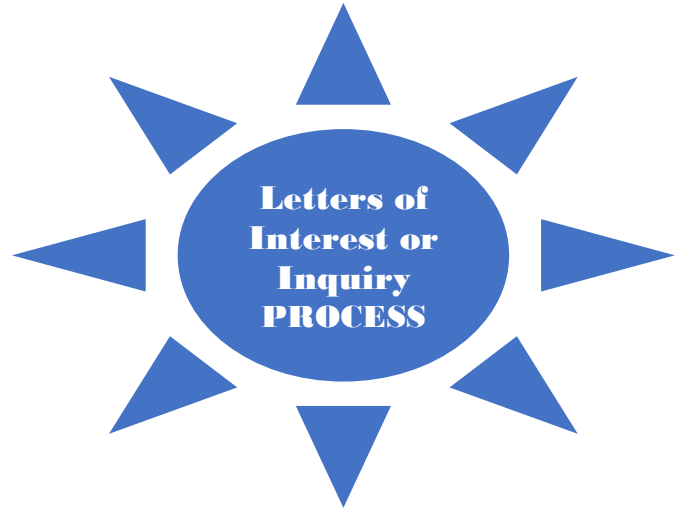


## LOI Process - So You Need Funding?

**POINT OF FACT:** There is a great deal of money available for funding from foundations all across the country. Although grants are given to different types of applicants: non-profit, for profit, private, individuals, to name a few, this writing is primarily focused on 501(c)(3) non-profit organization applicants. **WHY NOT YOURS?**



There are several approaches an organization might take to contact a granting foundation or agency. An applicant might initiate a letter to find out the foundation's policy for consideration of a prospective project needing funding. Or, the foundation itself might initiate the request in order to determine a level of interest within the community.

Additionally, some granting foundations do have a procedure for receiving unsolicited letters from grant seeking organizations. Be sure to investigate the granting foundation's website for information about this option or contact them directly for more information.

There are two formal approaches which might be available to an applicant:

1. **Letter of Interest/Letter of Intent (LOI):** This is an unsolicited letter by an organization to a granting foundation. An initial introduction to the foundation to determine if a proposed project aligns with the foundation's mission or goals for funding.

By submitting such a letter, the applicant organization will include information about its purpose and its mission. Also included would be a description of the project needing funding. This information will determine the possibility for submittal of a full proposal. The author of this type of letter is usually a director in the organization or an assigned project manager.

**Point of Focus:** The Letter of Interest/Intent serves as an unsolicited introduction. Write it to attract the readers and emphasize your project's value. "Open the door to the funding organization about your organization and your project pursuits."

2. **Letter of Inquiry (LOI):** Is a mandatory request from the funding foundation in lieu of the initial submittal of a full proposal by the applicant organization. These letters are viewed by the foundation to determine if the proposed project is viable and within the scope of the guidelines for the foundation. In other words, the foundation wants a first look at the project prior to the submittal of a full project proposal for evaluation and consideration.

These letters have a specific format (**“LOI LETTER FORMAT”**) and are considered on a project submittal basis. Organizations seeking funding are in the running for limited availability of foundation funds, so this is where the acceptance or elimination process takes place.

**Point of Focus:** Focus your letter on the project and how it fits the funding foundation's mission, goals, interest, and emphasis. By crafting your Letter of Inquiry in this manner, there may not be a need for a full proposal. The foundation may simply accept your project for funding.

# LOI Process - So You Need Funding?

## Several responses might occur:

- The acceptance by the foundation to fund the project based on the Letter of Inquiry written. Therefore, there is no need to produce a formal document about the project. Basically, wait for the check to arrive in the mail.
- If the Letter of Inquiry is accepted, but more information about the project is required, a formal invitation will be issued to the applicant to submit an extensive project proposal. Included in this invitation will be a submittal deadline to finalize the review for funding.
- The denial of funding for the current round of funding, but the letter will be kept on file for future consideration. At this point, the applicant organization might want to refine the project information and keep it updated for future funding efforts.
- The applicant organization has options to seek funding elsewhere as there are many more opportunities.

Pay close attention to the specified format for either type of letter. The format should be taken seriously and precisely followed. Remember, there are many other competitive organizations seeking the same funding, so don't eliminate yourself because of mistakes or instruction oversights in your submittal letter. Don't cause a rejection before your first sentence is read.

**The first impression is the key:** Be concise and appealing. Use language that is descriptive and to the point, yet brings a level of interest or excitement to the reader. Be certain to succinctly explain how your project addresses specified interests of the granting foundation. This should be the opening statement because it shows that you have investigated the foundation and its areas of interest and/or concerns for the community.

Format your letter in a business format and pare it down to one (1) page if possible. Some foundations accept letters of interest up to three (3) pages, but it is easy to lose the reader's attention if they have to turn pages to get your point.

## **Business formatting tips/structure:** [\*\*“LOI LETTER FORMAT”\*\*](#)

1. Use margins that are familiar: no smaller than 0.75 all around. If business letterhead is available, use that to show more professionalism.
2. Use a standard font – Arial, Times New Roman, or Courier New. Set font size to 12 for easier reading.
3. Don't start with a generic salutation: “Dear Sir/Madam” or “To Whom It May Concern.” Find out who the letter should be directed to for the salutation.
4. Use Left Hand Side for all informational starts
5. If more than one page is written, use a footer that identifies [Page 1 of # of pages]. Again, left hand side of page.

The first paragraph is the ‘hook’ paragraph and should catch the reader's attention immediately. Start with the precise statement your request for funding. What is the project? What is the purpose for needing the funding? Get into the ‘meat’ of it, not a ‘round-about’ description. This will either peak the reader's interest to continue or cause a rejection. So, be very conscious of your description.

## LOI Process - So You Need Funding?

Identify, for example, describe the ‘meat’ of the funding request:

1. The significance of the project and the community need
2. How your group will approach completing the project
3. What will the project’s completion do for the community need? Will it stimulate additional projects within the community?
4. Explain how the project is a ‘good’ fit in meeting the foundation’s mission or areas of interest in their funding
5. Provide a well thought-out estimate of the amount of funding needed and the timeline for the project.
6. Will the foundation’s grant fully cover what is needed or will additional avenues need to be taken to get the full funding? Explain how this will be accomplished.

The ‘body’ paragraphs tie to the first paragraph in explaining the project or purpose of your request in greater detail. If the reader has gotten to the body of the letter, then the specifics really need to be convincing.

1. Describe the investigative approach taken to identify the project or purpose and its need in the community.
2. Why this project and not some other? Showing you care about the project
3. What are the tasks, goals, objectives, results expected for this project?
  - a. Task: an assigned ‘piece of work to be done’ to establish a groundwork for the project.
  - b. Goal: Something that you hope to achieve over time
  - c. Objective: Specific, actionable targets that need to be achieved within a short time frame
  - d. Results: Identified benchmarks of progress or completion for the project
4. How will it be determined that the project was successful?
5. Who will be involved in making the project a success?
6. Who will be favorably impacted by the successful completion of the project?

If a successful description was given in the ‘body,’ then the closure of the letter should be a short statement which wraps up what was said earlier. That the funding will truly make a difference in bringing the project to the community.

Thank the foundation for their consideration and sign-off.

### **Before submitting anything to the granting foundation, make sure the following items are covered:**

1. Review the application for completion of all requested information.
2. Proofread the application to make sure there are no spelling or grammatical errors.
3. Are all the requested attachments included and in the order described?
4. Make a copy of your submittal for review if questions from the granting foundation are presented. This copy will also serve as a file copy for your organization for information future grant application submittals.
5. Be sure to acknowledge the receipt of funding by sending a thank you note or a cover letter along with a tax receipt.

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