

EXHIBIT A

Community Foundation of Southern Indiana

Capacity Building Grants

Strengthening the Internal and Operational Capacity of Organizations

The Community Foundation of Southern Indiana (CFSI) Board of Directors has designated a portion of the Community Impact Fund budget in 2022 for Capacity Building Grants. These grants will be dedicated to supporting nonprofits that serve both Clark and Floyd Counties in Indiana. This competitive grant program will open on April 1, 2022. Organizations should submit their application online via the Foundation's website at <https://www.cfsouthernindiana.com/nonprofits/apply-for-grants/> by June 30, 2022.

Through the Capacity Building Grant Program, the Community Foundation of Southern Indiana is dedicated to supporting nonprofit organizations' capacity so that they may continue to provide the essential services that they are uniquely positioned to offer in our community. In recent community needs surveys undertaken by CFSI in partnership with IU Southeast Applied Research and Education Center, nonprofit leaders have stated that finding funds to support their internal capacity building is one of the biggest challenges they face, but without that support, the outward-facing programs and services they provide to our community may not be able to continue or expand to fulfill their mission. CFSI believes that by providing capacity building grant support to area nonprofits, the Foundation is helping to address the consistent capacity building concerns identified by area nonprofit leaders.

Timeline:

April 1	Application Opens
April 12	Optional Virtual Information Session
June 30	Application Deadline
August	Applicants notified of grant selection

What is the Community Impact Fund? This is the Foundation's unrestricted, permanent grantmaking fund which is used by our Board of Directors to make grants to qualified public charities in our community that address our area's greatest needs and highest priorities - as those needs and priorities change over time, so does the support provided by the Community Impact Fund.

What is capacity building, and what types of projects are eligible for funding?

Capacity building grants focus not on the outward-facing, mission-based work of a nonprofit but on the inner workings of the organization. A capacity building grant recognizes the need for effective management of the organization and provides funding to support administrative systems and operations. Ultimately, these grants are intended to help build organizational effectiveness and further the success of the organization's mission. In general, capacity building grants are not about expanding an organization's services, adding a new program, or renovating a building. They are about strengthening an organization's infrastructure, management, and governance. Through these grants, the Foundation seeks to strengthen the efficiency, effectiveness and sustainability of organizations serving Clark and Floyd Counties.

Eligible Types of Projects. Funding for specific activities or projects designed to strengthen an organization's governance, leadership, technology, programmatic evaluation and administrative capacity. Examples of such activities include, but are not limited to:

- Assessment of management and governance systems
- Evaluation of program/service effectiveness
- Strategic planning
- Board and/or staff development
- Fund development planning
- Succession planning
- Technology upgrades
- Establishing or upgrading a volunteer management system
- External communication strategy planning

- In rare cases, physical infrastructure projects may be essential to building the capacity necessary for a sustainable business model. This might include upgrades required for licensing, certification, or a quality or service rating that opens up access to revenue streams essential to a sustainable business model.

A capacity building grant is intended to allow an organization to really highlight the vision and strategic planning efforts that are in place to grow and sustain operations. Capacity Building is not a one-time effort to improve short-term effectiveness, but rather a continuous improvement strategy toward the creation of a sustainable and effective organization.

<i>Successful capacity building projects.....</i>	<i>For example.....</i>
Address issues that affect the organization as a whole, not a single program.	Creation of a new strategic plan or purchase of new accounting software.
A strategic point in time for an organization, such as a leadership transition, period of rapid growth or expansion, or significant organizational change.	Leaders within the organization retiring and succession planning and leadership training is needed.
Upgrades or renovations that may be required for licensing, service rating, or certification.	A childcare provider seeks to attain a higher Paths to Quality rating but must renovate a bathroom or some other aspect of their facility to meet the state standards. That improvement and subsequent increase in PTQ rating may be essential to financial sustainability as it increases ability to access voucher funds and other state supports.

<i>Examples of Expenses Allowed</i>	<i>Expenses Not Allowed</i>
<ul style="list-style-type: none"> • Professional Development 	<ul style="list-style-type: none"> • Debt paydown or payoff

<ul style="list-style-type: none"> • Staff/volunteer Training • Additional Staffing capacity • Consulting Services for program evaluation, fund development plan, strategic planning, communication strategies, etc. • Hardware/Software Upgrades • Website Upgrade 	<ul style="list-style-type: none"> • Expenses incurred prior to the grant award date
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Projects That Do Not Qualify. Examples of what is not considered capacity building may be, but are not limited to:

- Media campaign (e.g. printing, advertisements, radio/television, social media)
- Creating or expanding a new program/service
- Site relocation, general renovations, or upgrades
- Creating or contributing to an endowment
- Paying overhead expenses such as rent, utilities, etc.
- Supporting capital campaigns

Who can apply?

Organizations that:

- Are a 501(c)(3) public charity in good standing with the IRS, or charitable projects that are fiscally sponsored by a 501(c)(3) public charity in good standing with the IRS.
- Serve Clark and Floyd Counties in Indiana.
- Have a request that will strengthen the organization's efficiency, effectiveness, and/or sustainability.

Organizations that have received grants through other CFSI competitive grant programs within the last 12 months are eligible to apply for this program so long as they are in good standing and compliant with their current grant agreement.

Capacity Building Grant Specifics:

- The application process for a Capacity Building Grant will open on the Foundation website (www.cfsouthernindiana.com) starting April 1, 2022 and will be available year round. Applications will be reviewed, and grant awards will be made quarterly on a rolling basis.
- Requests may be for any amount over \$5,000 and up to \$25,000
- Provide a detailed capacity building budget and budget narrative
- Recipients will be notified in August

For a strong capacity-building grant application, it will be important to clearly identify the action steps you will take with the addition of the requested financial resources. It is also important to demonstrate that there are clear measurable outcomes. If the request is for additional staffing capacity, it will be important to provide a clear explanation of a sustainability plan for when this grant funding runs out.

How can I apply?

The online application process begins with an application, which opens on the Foundation's grant application website on April 1, 2022. If you have not applied for a grant before with CFSI, you will be asked to create an account. Your account will be created and tied to your email address. You will then select the Capacity Building Grant Program application and click "Start Application".