

2010 Investment Guidelines

Call for Letters of Inquiry – Deadline: Friday, May 28, 2010

Social Venture Partners Greater Tucson (SVPGT) inspires and promotes philanthropy using a venture capital approach to affect positive social change. SVPGT combines the power of business with the passion of philanthropy to enhance philanthropic education and to invest in innovative nonprofit organizations. SVPGT uses a high-engagement model that pools the financial, professional and human resources of our Partners to achieve long-term community impact and to build a culture of philanthropy.

The mission of the Investment Process is to build community capacity to enhance family, neighborhood and community literacy by catalyzing nonprofits through the time, talent, and financial resources of current and emerging philanthropists. Social Venture Partners Greater Tucson is committed to investing in building the capacity of innovative nonprofits to increase the literacy skills necessary to weave the economic, cultural and social fabric of our community now and in the future.

Social Venture Partners Greater Tucson will award at least one grant of \$25,000 which is intended to be renewed for up to three years based on demonstrated progress towards stated goals. In addition, SVPGT aims to work with organizations to help them realize their visions through a combination of financial and consulting contributions. This mix of time, money, and expertise has the potential to revolutionize the relationship between nonprofits and those who support them while providing valuable returns that far exceed the capital investment.

We seek to fund organizations that will benefit from a long-term relationship with SVPGT, including hands-on involvement by individual Partners. Our Partners have a range of talents and skills to offer nonprofit organizations. Partners are not traditional volunteers; we ask that you think outside the box when you elaborate on ways Partners can help strengthen your organization. Partners are successful business people, venture capitalists, entrepreneurs, educators, fundraisers, and community leaders. They can consult in numerous areas. So when you look at how best to use SVPGT, think outside of the realm of traditional volunteers, and think big.

Social Venture Partners Greater Tucson Investment Process

Our 2010 Investment Process launches on **Thursday, May 6, 2010** and concludes by **October 29, 2010**. During that time, our Partners will consider making investments in nonprofit organizations which meet our investment criteria and are interested in working collaboratively with SVPGT toward their own organizational goals. We are interested in assisting these agencies achieve financial sustainability and improved capacity in order to meet the needs of their constituents and future challenges. SVPGT is distinctive in that it provides Partner time and talent in addition to an initial monetary grant of approximately \$25,000.

SVPGT is a membership organization that receives funding for its investments through individual member (i.e. “Partner”) contributions. The individuals and community funders who join SVPGT do more than just give their money; they get actively involved with the management team and board by lending their business skills, expertise, energy and personal and professional networks to the organizations receiving their financial contributions. Similar to Venture Capital investors in the for-profit arena, SVP Partners (Venture Philanthropists) invest in the future potential of the organization. Thus, successful applicants will demonstrate a strong desire for the technical assistance and strategic perspective the Partners can provide, and will have a solid plan for harnessing our skills and energy. As a group we can provide assistance in:

- Strategic Planning
- Marketing/Communications
- Financial Management
- Executive Coaching
- Information Management
- Technology Management
- Project Management
- Board Development
- Fund Development

However, in thinking about what you need, it is advisable to think about how we can help you achieve your vision by channeling this range of expertise in the following ways:

- **Strengthening organizational leadership** (mentoring, coaching, board development)
- **Improving your program model** (measuring/improving outcomes, expansion and/or replication of the program)
- **Building organizational capacity** (improving the effectiveness and efficiency of staff, building and executing a plan for financial sustainability)

How do I apply for support?

Step One: Attend the Community-wide Investment Process Launch Session to learn about SVPGT and our process

Attend our open information session on **Thursday, May 6, 4:00-5:00 PM** at the Community Foundation for Southern Arizona, 2250 Broadway Blvd. **If you have not applied for SVP funding in the past, someone from your organization must attend this session in order to be eligible for funding.** At this session, Partners and Investees will share more information with you about our process and the requirements we have for our Investees, which differ from the requirements traditional foundations may have for their grantees. We will be available to help you decide if this is a good fit with your nonprofit, with your culture, and with your overall strategic objectives. You can find the necessary documents and other information on our website: www.svpgt.org

If you would like to attend or have any questions, please contact Stephanie Sklar at 520-622-8476, or via email at ssklar@svpgt.org

The goal of this session is to introduce you to the concept of partnering with Social Venture Partners Greater Tucson, and to address any questions you may have about the application and selection process.

Step Two: Submit your Letter of Inquiry

Letters of Inquiry (LOI) will be accepted until **Friday, May 28 at 5:00 PM**. Your LOI will be accepted electronically only.

Basic Criteria:

In order to receive consideration, organizations must meet the following Basic Criteria:

- Applicants primary activities must be located in Pima County
- Applicant must have its 501 (C)(3) status

Applicants must be able to demonstrate at least 3 of the following 4 characteristics:

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| 1. Number of full-time or equivalent employees | at least 2 |
| 2. 2009-10 total operating budget | at least \$100,000 |
| 3. Years in operation | at least 2 |
| 4. Number served | at least 100 |

Instructions for completing the Letter of Inquiry (LOI) and Data Sheet

To be considered for support, organizations must complete the Data Sheet (attached and online) and a narrative Letter of Inquiry addressed to the SVPGT Investment Committee. The purpose of the Data Sheet is to give the SVPGT Review Team some insight into the applicant's organization. The narrative LOI must not exceed two pages double-spaced, 12 point type. Please provide the following information and attach your responses to the application Data Sheet.

The LOI must include the following information:

- Describe the mission, programs and services of your organization and the population served.
- Summarize your organization's major accomplishments.
- Explain why the approach you are taking to solve this problem is innovative and effective.
- Describe the particular social need within the community you serve. (Please include demographics)
- Describe how you will know if your organizational objectives/program objectives were met and how you will measure if the partnership with SVPGT is a success.
- Should your organization be chosen, state how you would make use of the many resources (volunteers, financial contribution) that you would receive? How would these enhance your organization's activities and increase your capacity to serve the community?
- Describe the measurable impact this award will have in building the capacity of our community to enhance family, neighborhood and community literacy.
- Explain how you will leverage this funding to ensure the sustainability of programs and services offered by your organization.

Please attach the following required materials to your application:

- A copy of the organization's tax-exempt status letter under section 501(c)(3) of the Internal Revenue Code.
- Most recent audited financial statement. If your organization is not required to submit an audited financial statement to the IRS or AZ, please state this and provide us with your 2009-10 Operating Budget and most recent 990.
- List of current Board of Directors.
- Current management bios or resumes including years of service.

How will my application be evaluated?

Your submission will be evaluated by a committee of Partners based on the potential impact our Partners believe they and their investment financial and human capital can have and the probability of success. We place great importance on the way in which you have a plan to use the skills and expertise of our Partners and in the strength of your management team. We will also consider how you intend to leverage our investment to ensure a long-term impact beyond the investment period.

Investments that fit with our mission

The nonprofit that chooses to apply for our grant must be able to demonstrate that they are actively working towards at least one of the following:

- Increasing the literacy rate in Pima County through innovative, entrepreneurial and accountable programs;
- Emphasizing intergenerational approaches to literacy development;
- Addressing needs, and challenges relating to economic, cultural, life skills, early childhood, school age, adult, family and community literacy;
- Engaging families in multiple forms of literacy aimed at changing economic standing and improving life conditions for the family;
- Supporting relationship building, coordinated planning, shared vision, and leadership among literacy agencies and stakeholders.

Criteria for evaluating the Letters of Inquiry we receive include:

- Demonstrates a **commitment to using SVPGT** Partner talents and time to improve the capacity and sustainability of the organization. The organization's work plan and schedule must fit with SVPGT's abilities and our Partners' desire to help them achieve their goals.
- Demonstrates an **organizational culture** that is collaborative and open to new ideas and new ways of approaching work.
- **Program(s) feasibility**
- **Organization/Program sustainability**
- **Transformative approaches:** SVPGT is seeking solutions to community problems that will transform the way services are provided.
- **Demonstrates history of strong fiscal responsibility and leadership.**
- Demonstrates how the financial contribution from SVP will be used to **improve the capacity and sustainability of the organization – how it will bring value added.**

Requirements for all SVPGT Investees

- Completion of an organizational assessment within the first 3 months of our partnership. This requires at least 2 staff members and at least 2 board members to complete and is facilitated by the SVPGT Lead Partner and staff.
- Completion of a six-month progress report.
- Completion of a satisfaction survey at the end of the first year provided by SVPGT to provide information about the success of our collaboration and suggestions for improvements in subsequent years.
- A year-end report (maximum 3 pages) and presentation that covers:
 1. Measurable accomplishments toward initial objectives;
 2. Detailed explanation of how the SVPGT Partner time was directed, how SVPGT staff and Partners were utilized, and how the money was actually spent;
 3. Submission of a written response citing the “most significant change” you’ve experienced as a result of our relationship.
 4. Quantitative and qualitative outcomes of your programs on the constituency you serve.

14/7/10