

2014 Social Innovation Fund FAQs
February, 2014

The Notice of Federal Funds Availability (Notice) and the application instructions for the Social Innovation Fund competition are the primary sources of information about the requirements of this grant competition. This document is intended to provide further clarification, where necessary, and does not supplement nor duplicate those documents.

The Corporation for National and Community Service (CNCS) will host Technical Assistance (TA) conference calls or webinars for potential Social Innovation Fund applicants. The schedule of these calls and the other applicant resources, including the answers to frequently asked questions, will be posted on the SIF webpage. Potential applicants are strongly encouraged to visit the website to access these resources and for updates. General inquiries may be directed to Innovation@CNS.gov.

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Application Materials

Where do I get a SIF grant application?

Applicants apply for SIF funds via the CNCS online grants management system called eGrants. The application instructions explain how to complete the application in eGrants. The Notice of Federal Funding Availability contains the selection criteria and other information necessary to complete an application. To create an eGrants account and begin an application, please go to the eGrants website: <http://www.nationalservice.gov/egrants/>

Budget

Should evaluation be budgeted at the intermediary level or the subgrant level?

Funds for evaluation may be accounted for at the intermediary or subgrantee level (or both). The needs of various intermediaries and subgrantees will vary substantially. The determination, either way, should be substantiated in detail in the application. Please visit our NOFA page for a link to tips on budgeting for rigorous evaluation: <http://www.nationalservice.gov/build-your-capacity/grants/funding-opportunities/2014/2014-sif-competition>.

Where should capacity-building be budgeted?

Intermediaries are required to provide support, including capacity-building support, to their subgrantees. Funds for capacity-building may be accounted for at the intermediary or subgrantee level (or both). The needs of various intermediaries and subgrantees will vary substantially. The determination, either way, should be substantiated in detail in the application.

How much should be budgeted for running a competitive subgrant selection process?

The amount will vary considerably by intermediary, depending on the scope of the competition, the amount of funds available, and other factors. Applicants should ensure that their proposed budget aligns with their program design.

Eligibility Questions

Is a federally recognized Indian Tribe eligible to apply to be a SIF intermediary?

Federally recognized tribes are sovereign legal entities, similar to state governments. They have all the rights and attributes of a sovereign entity, such as a state. Grantmaking institutions may apply for a SIF grant or may partner with an Indian Tribe, State Commission, or unit of State or Tribal government to apply as a partnership. A unit of government is not an existing grantmaking institution for the purposes of the SIF *Notice*. That is to say, a unit of government or Tribe may not apply without an existing grantmaking institution partner.

Will you consider proposals for geographic areas already represented among current SIF intermediaries or subgrantees?

Yes. The Social Innovation Fund will consider proposals in states and areas already being served by current Social Innovation Fund intermediaries. However, CNCS is particularly interested in proposals for programs that diversify its current grantee portfolio through programs that either serve “significantly philanthropically underserved” geographic areas or geographic areas that are not currently being served by the Social Innovation Fund.

After becoming a SIF grantee, does an intermediary have to request the same level of funding each year of its three to five year grant?

There is no requirement that intermediaries request the same amount of funding from year to year. However, CNCS is seeking to build a network of intermediaries committed to supporting an on-going portfolio of promising social innovations as they deepen their evidence base, replicate and expand. Similarly, CNCS is looking for strong fiscal partners that can meet the substantial annual match requirements of the Social Innovation Fund program. Intermediaries must request a minimum of \$1 million dollars annually.

We used to do competitive grantmaking, but many years ago. If we meet all the other requirements, would we still be considered an existing grantmaking institution?

To be eligible for a Social Innovation Fund award, applicants must be either an existing grantmaking institution or an eligible partnership. Existing grantmaking institutions must actively conduct open or otherwise competitive programs to award grants to or make investments in a diverse portfolio or nonprofit community organizations.

We make competitive grants as required, but just within our affiliated network. Are we eligible to be an intermediary?

Yes. While you would not have been eligible in prior years, beginning in 2014, the definition of eligibility has been expanded to include organizations such as yours. Please read the *Notice* for more background on this change, as well as expectations of these organizations.

Can a for-profit intermediary apply?

For profit entities are not eligible for SIF funding.

Intermediaries

I'm applying as an issue-based Social Innovation Fund. Do I need to articulate a geographic focus in my application?

Yes, all applicants must indicate a geographic focus in their narrative. The Kennedy Serve America Act requires issue-based Social Innovation Fund applications to identify specific geographic areas in which they are likely to serve, and to provide specific evidence as to why those geographic areas have high needs in the specific issue area that is the focus of the application. For an issue-based applicant, the geographic areas which they are likely to serve can be spread across the country. In describing those geographic areas, the goal is to understand why there is a particular need in regard to the issue area focus.

Eligible Partnerships and Collaborations

What is the difference between an “eligible partnership” and a “collaboration”?

In an eligible partnership, the partner organizations share responsibilities under the award. A collaboration, for the purpose of this competition, is when an organization enters into an arrangement to access needed competencies but remains solely responsible for the award. See the *Notice* for more detail.

How might an “eligible partnership” be structured?

Following are two illustrative examples.

Example number one: Four community foundations across the country pool their resources and apply as an issue-based Social Innovation Fund working on the priority issue area of economic opportunity. Their partnership also includes an existing grantmaking institution (which we will call Grantmaker A) with deep experience in competitive grantmaking. The eligible partnership proposes to have Grantmaker A oversee the competitive selection process across their respective geographies and with their local input. Grants would go directly from Grantmaker A to subgrantees (as two levels of subgranting are not allowable under the Social Innovation Fund). The community foundations would support, monitor and evaluate subgrantees and facilitate constructive relationships with local units of government and others.

Example number two: Three existing grantmaking institutions apply as a geographically-based Social Innovation Fund. They propose to focus on all three of the priority issue areas. They each bring their own issue expertise. They propose to run separate competitive subgrant selection

processes. However, they propose to pool resources for capacity-building, evaluation, and knowledge management across their subgrantees.

These are only two examples to illustrate how eligible partnerships might be structured. Many other kinds of eligible partnerships are also possible.

If two or more organizations plan to apply for Social Innovation Fund funding as an eligible partnership or as a collaboration, how definitive of a structure needs to be in place at the time of application? Do the organizations need to have a legal agreement signed at the time of application submission, or is an intent to partner or collaborate sufficient until funds are awarded?

An intent to partner or collaborate is sufficient to apply. During the review process, CNCS may request additional information about the roles and responsibilities of each partner. Before final award, all partners and collaborating organizations will be required to formally agree to the full terms and conditions of the award, including those included in the Assurances portion of the application in eGrants. Eligible partners are encouraged, but not required, to share the costs of the application cash matching requirement in order to demonstrate the seriousness of the partnership.

Evidence

Will the Social Innovation Fund fund new social innovations?

While the governing legislative statute authorizes CNCS to fund new social innovations, CNCS has determined that the limited SIF funding available needs to be focused on promising social innovations with at least preliminary evidence of effectiveness. Intermediaries are encouraged to make larger subgrants to innovations with strong evidence of impact and effectiveness (as defined in the *Notice*). CNCS is determined to build a pipeline of programs with evidence of effectiveness; therefore, CNCS anticipates that intermediary portfolios may include some programs with preliminary or moderate evidence (as defined in the *Notice*).

Should outcomes and metrics be defined for three to five years, even though the funding request is only for one year?

Within the Program Design section, applicants should outline a multi-year plan for subgrantee selection, investment, evaluation, support and monitoring in their narrative. The formal budget request and the description or justification with the Budget Justification narrative section should be for one year of Federal funding only.

Would a Social Innovation Fund intermediary be able to use Social Innovation Fund funds to assess the impact of its own activities?

Yes, but applicants should be mindful that Social Innovation Fund evaluation should be focused on assessing the impact and effectiveness of subgrantees (particularly since at least 80 percent of Federal funds are required to be competitively distributed to nonprofit community organizations). CNCS anticipates utilizing learning communities and other mechanisms to discuss and evaluate issues around intermediary effectiveness.

Funding/Funding Restrictions

How and when will funding for intermediaries be available?

For applicants approved for funding, CNCS will provide information on how to establish an account in the Department of Health and Human Services (HHS) Payment Management System (PMS). CNCS will obligate the entire amount of the grant upon award. This will take place prior to September 30th of this year. Grantees will be subject to the requirements of the Federal Cash Management Act which direct grantees to draw funds as needed for grantee and subgrantee immediate needs.

If at least 80 percent of Federal funding has to be provided to subgrantees, what can the remaining funding be used for?

Grantees may use the remaining funds for other direct and indirect costs associated with hosting a competitive subgrant selection process, evaluation, providing support to subgrantees, and other activities designed to contribute to measurable outcomes of their portfolio. However, applicants should keep in mind that their overall budget (both federal and matching funds) will be evaluated reasonableness as described in the *Notice*.

Can 100 percent of Federal funds be provided to subgrantees?

Yes, applicants may propose to provide 100 percent of Federal funds to subgrantees. If this is proposed, applicants should outline in their budget narrative how they propose to fund their competitive subgrant selection process and provide for on-going evaluation and support to their portfolio of subgrantees.

Do 80 percent of intermediary matching funds have to be provided to subgrantees?

No, there is no requirement that intermediary matching funds “mirror” the use of Federal funds. However, of matching funds that are not used for subgrants, the balance must go toward program support costs, including evaluation, knowledge management and Social Innovation Fund implementation.

Are there government-wide grant requirements that apply to Social Innovation Fund?

There are government-wide regulations (referred to as the Cost Principles) which govern the costs that may be charged to Federal funds and matching funds under Federal grants. All Social Innovation Fund intermediaries will be required to comply with the Cost Principles that are applicable to their organizations. Refer to the Federal cost principles at: <http://www.whitehouse.gov/omb/circulars/index.html> for information on allowable costs in Federal grants. In addition, there are other government-wide requirements that generally apply to federal grant programs. These are referenced in the assurances which are part of the application in eGrants. A copy can be found in the appendix of the application instructions.

What grant requirements apply to subgrants?

The Cost Principles referenced above apply to subgrantees as well.

If I have an approved indirect cost rate, do I have to use it for this grant program?

Yes, applicants with approved indirect cost rates for Federal grants must use those rates for any indirect costs they include in their budgets for the Social Innovation Fund.

If I don't have an indirect cost rate, do I need to obtain one before applying?

No, CNCS will work with applicants selected for award who do not have approved Federal indirect cost rates to help them develop and obtain approval for their rates.

Is there a maximum daily consultant rate?

No. However, the daily consultant rate should conform to the applicable Cost Principles, which generally require consultant fees to be reasonable in relation to the services rendered. Applicants should carefully review the Cost Principles to fully understand how consultant costs will be evaluated. Consultant rates will be reviewed as a part of the Cost Effectiveness and Budget Adequacy section to assess whether they seem reasonable.

Subgrants/Subgranting

Can subgrants go to for-profit social enterprises or small businesses?

No, subgrants may only go to nonprofit community organizations, as defined in the *Notice* as being eligible to receive subgrants..

Can subgrantees be funded by two different intermediaries?

There is no prohibition on subgrantees being funded by two different intermediaries provided that the two funding streams are funding two distinct activities.

Will intermediaries have the flexibility to remove subgrantees from their portfolio?

Yes, intermediaries will be expected to manage their portfolio to achieve measurable outcomes and to be compliant with grant requirements. This might require removing subgrantees that aren't meeting expectations. Please note that as a cooperative grant agreement partner, CNCS will expect to have substantial knowledge of, if not involvement in, major decisions, including whether to remove subgrantees from a portfolio. You will be expected to inform your program officer of the challenges you are facing prior to making a final decision.

Can subgrantees receive different levels of funding in different years (e.g. \$1 million in year one, and \$2 million in year two)?

Yes, subgrantees may receive different levels of funding in different years, but never less than \$100,000 per year. Funding decisions should be made in agreement with the intermediary and CNCS.

Can a sub-grantees make a grant award to another entity?

No. Two levels of subgranting is prohibited.

Can grantees make a subgrant to themselves?

No, grantees are expected to make a portfolio of investments in external nonprofit community organizations or programs.

If I am awarded a Social Innovation Fund grant, will I have to host a competitive subgrant selection process in every year of continuing funding?

For every year of Social Innovation Fund funding, awarded intermediaries will be required to host a subgrant selection process. After year one, intermediaries may propose to establish different tracks within their process. For example, a track for continuing subgrants and a *competitive* track for new subgrants. Different tracks may have different application requirements. As a cooperative grant agreement partner, CNCS expects to be substantially involved in reviewing subgrant processes for compliance and appropriate outcomes. Please see section I.D.2 of the *Notice* for details of the subgranting requirements.

Do you recommend that intermediaries run a separate grant competition just for Social Innovation Fund subgrantees?

The match, competitive subgrant selection, accounting and reporting requirements placed on Social Innovation Fund funds are unique and substantial. Social Innovation Fund intermediaries may find it advantageous to run a specific grant cycle for the purpose of making Social Innovation Fund subgrants.

Can we run two separate Social Innovation Fund subgrant competitions?

More than one competitive subgrant selection process could be held by a Social Innovation Fund grantee. In their narrative, applicants should clearly justify the rationale for having more than one competition.

Does a subgrant have to be a combination of Federal and matching funds? For example, would a \$200,000 subgrant have to be comprised of \$100,000 in Federal funds and \$100,000 in matching funds?

No. A Social Innovation Fund intermediary will make its subgrants from the pool of funding (both federal and matching funds) which they include in their budget. There is no requirement that Social Innovation Fund intermediaries or their subgrantees separately identify a federal or match component to the amount of the subgrant. All funds provided to subgrantees will be subject to the same requirements, regardless of whether they can be “traced” to federal or matching fund sources.

Can we limit our subgrant competition to programs that we currently fund?

No, intermediaries cannot limit their competitions to current programs. Please see the *Notice* for details on the subgranting requirements.

How do you expect intermediaries to assess whether a subgrantee works in a low-income community as defined in the *Notice*?

There is a deep community of practice in the public and nonprofit sectors about how to determine income eligibility. CNCS expects intermediaries to be knowledgeable about, and operate in accordance with, best practices.

Can awards made to subgrantees include in-kind goods and services in place of cash?

No, subgrant awards must be cash awards.

Match

What does it mean to provide a “cash” match?

By law, Social Innovation Fund match must be in non-federal cash. Unlike most Federal grant programs, the market value of goods and services donated by third parties as “in kind” matching costs does not count toward the matching requirement.

Can you give an example of how the match works?

The Social Innovation Fund program requires match at two levels: the grantee and the subgrantee. Here is an example to illustrate how this works. CNCS made a \$4.2 million dollar grant to an intermediary. The intermediary secured the required \$4.2 million dollars in private, non-federal match to meet the one to one match requirement. The SIF requires that 80% of the federally budgeted funds be committed to subgrants. The intermediary therefore budgeted \$3.4 million from their federal grant and budgeted an additional \$3.1 million from their matching funds for a total of \$6.5 million dollars to provide in subgrants. It awarded \$175,000 to one of the subgrantees selected through its competitive selection process. The subgrantee then matched the grant with \$175,000 of its own, in cash, funds to implement the program. So both the intermediary and the subgrantee are responsible for matching the grant or subgrant they receive dollar for dollar in cash.

How does the applicant demonstrate that its unrestricted dollars can be used as match?

Applicants may demonstrate commitments by a dated and signed letter from each donor/foundation, indicating the amount of funds committed for the specific use of supporting the Social Innovation Fund grant. The letter must contain a firm commitment to provide the applicant with the stated funding upon award of a Social Innovation Fund grant by CNCS.

By when will subgrantees need to demonstrate that they have met the requirement?

According to the statute, intermediaries must ensure that their subgrants meet a dollar for dollar match expenditure every 12 months, beginning at the start of their first award period and are terminated if they do not meet the dollar for dollar match expenditures at each 12 month check. For example, for a subgrantee whose subgrant agreement with its intermediary begins on April 1, 2015, if by March 31, 2016 the subgrantee has expended \$150,000, then by that same date the subgrantee must have a documented match of at least \$150,000. If this is not the case, then the intermediary should not provide the subgrantee with a subsequent grant award.

Can intermediaries help subgrantees meet their match requirement?

Yes, intermediaries may help subgrantees meet their match requirements. Matching funds provided to subgrantees should be discussed in the narrative, but are not to be included in the Social Innovation Fund intermediary’s grant budget.

What sources of matching funds are allowable?

Matching funds may come from State, local, or private sources, which may include State or local agencies, businesses, private philanthropic organizations, or individuals. Federal funds may not be used towards either the Social Innovation Fund intermediary or the subgrantee match requirements.

Do the match restrictions placed on state and local government applicants also apply to their grantmaking institution partners?

No. If an applicant is an eligible partnership that includes a State Commission or a local government office, the State Commission or local government involved must provide not less than 30 percent and not more than 50 percent of the matching funds. However, their existing grantmaking institution partner(s) are not subject to the same match restrictions.

Do matching funds have to be unrestricted new or existing dollars?

Yes, matching funds must be unrestricted new or existing dollars. They cannot be previously-obligated funding that is redirected for purposes of meeting the Social Innovation Fund match requirement. One goal of the Social Innovation Fund is to encourage new funds to be directed to satisfy the match. However, given that the Social Innovation Fund is a relatively new program and that it is a difficult environment in which to raise substantial new dollars, existing unrestricted dollars may also be used for the match.

Can funds raised for programs similar to the Social Innovation Fund programs be counted as part of this match?

Funds donated for a specific government program cannot be reallocated as Social Innovation Fund matching funds without the express consent of the donor.

Is it possible to redirect city government funding to these programs?

Yes. As sovereign entities, local governments may (consistent with their legal authorities) reallocate their unobligated funding to provide Social Innovation Fund matching funds.

Can city funding that currently supports programming similar to a proposed Social Innovation Fund be counted towards the match?

No, local government funds which are obligated and already supporting existing programs will be treated in the same manner as restricted donor funds for nonprofits. CNCS does not intend to allow the availability of Social Innovation Fund to diminish ongoing programs in order to meet the Social Innovation Fund matching fund requirements.

Can funds that have been previously restricted for a purpose similar to our Social Innovation Fund proposal be counted toward the match requirement?

No, Social Innovation Fund matching funds must be unrestricted new or existing funds.

If a donor to a potential intermediary has already committed funds to that intermediary, but would like to now allocate some of their commitment to help meet the Social Innovation Fund matching requirement, is that allowable?

Only if the donor funds are unrestricted existing dollars. Matching funds must be unrestricted new or existing dollars. They cannot be restricted funding that is redirected for purposes of meeting the Social Innovation Fund match requirement. One goal of the Social Innovation Fund is to encourage new funds to be directed to satisfy the match. However, given that the Social Innovation Fund is a new program and that it is a difficult environment in which to raise substantial new dollars, existing unrestricted dollars may also be used for the match.

Can I reappropriate existing grant dollars in order to meet my Social Innovation Fund match requirement?

Yes, but only if they are unrestricted existing dollars.

Can program income count toward the match?

Yes, program income (as defined in the applicable OMB Circulars), may count toward the match requirements. Please see the following CNCS guidance on program income: <http://nationalserviceresources.org/files/program-income-FAQs.pdf>

Can funds that we currently invest in subgrantees be counted toward the match requirement?

No, funding provided by an intermediary to a subgrantee prior to either the intermediary's selection as a Social Innovation Fund grantee or the subgrantee's competitive selection by the intermediary cannot be counted toward the intermediary's matching requirement.

Can I use funds that I receive from my State as part of a federally supported grant program to meet the Social Innovation Fund matching requirement?

Generally, no. Federally-supported grants (including State matching funds included in those grants) cannot be used to meet Social Innovation Fund matching fund requirements. The sole exception to this will be federal block grant funds which are given to states and are comingled with other state funds and have thus lost their federal identity. You must check with the agency issuing the funds to ascertain whether federal identity has been lost before these can be used to meet the Social Innovation Fund matching requirements.

Nonprofits and Potential Subgrantees

I'm a nonprofit community organization that wants to apply to be a subgrantee after Social Innovation Fund intermediaries receive awards. Will CNCS publicize subgrant opportunities?

CNCS will announce the names of Social Innovation Fund intermediaries on its website. Interested community organizations are encouraged to contact successful intermediaries to learn the details of their subgrant selection competition.

General

Are Social Innovation Fund award recipients guaranteed continuing grants in the future?

Continuation funding for the second through fifth years will be contingent on the availability of appropriations, compliance with grant conditions, and satisfactory performance, including progress towards evaluation requirements and having secured sufficient matching funds.

Is the Social Innovation Fund designed to support intermediaries and nonprofit community organizations in both rural and urban areas?

Yes, the Social Innovation Fund is designed to support eligible intermediaries and nonprofit community organizations working with low-income communities in a diversity of geographies and settings. Eligible intermediaries in all 50 states and all territories may be considered for award.

Will letters of recommendation or support be considered?

Letters of recommendation and other materials not specifically requested in the Notice or application instructions will not be reviewed or considered.

Are supplementary materials (beyond the required links to evaluations) permitted, and do they count toward the page limit?

The only supplemental documentation that will be accepted for Social Innovation Fund applications is the match verification letter and the links to evaluation reports. They do not count toward the page limit. Additional materials will **not** be reviewed.