



# THE PROSPECTUS

A prospectus is a two page, double-spaced summary of the program or organization for which funding is sought. Because the Prospectus is often the first written material from an organization that a potential funding source sees, the document requires special crafting and care.

A Prospectus is:

- An introduction to a program and organization that may accompany a request for a meeting with a potential funding source;
- A follow-up to a request from a potential funding source for information about a program and organization;
- A document to leave behind after a meeting with a potential funding source.

Follow the basic format illustrated on the next two pages.

Remember these points:

- A Prospectus is never more than two pages long;
- Describe exactly the project and the expected results and impact. Identify the constituency that will be helped.
- Be positive. Use verbs that project positive action and lead to results into the future. Use “will” rather than “would like to.”
- Do not use adjectives. A strong description of a program and organization does not need hype.
- Type the Prospectus, double spaced, on your organization’s letterhead.

**The Prospectus will always answer six questions, in this order, and with these words appearing before each appropriate paragraph: What, Why, When, Where, Who and How Much.**

## **WHAT**

The first sentence of this section states what the organization will accomplish with the donor's money and explain how the project will be measurable and accountable. Describe specific services to specific populations within specific periods of time. Use numbers: how many people, how many locations, how many pages, how many hours. Do not use "some" or "few" or other vague terms. Give a clear, precise description of exactly what the funds being requested will buy and what results will be achieved. (This is a brief Project Description.)

## **WHY**

This section identifies the need that is fulfilled by the project described in the "What" section. The sequence of sections may appear reversed, but it is not. The "What" section comes first because any potential donor wants to know, most of all, what his/her money will accomplish. Then the need for the project is defined in this second section. (This is a brief Statement of Need)

A good method for organizing the "Why" section is to list the elements of the "What" section and then define the need behind each of these elements. Here is an example:

If your organization:

- Is in Anytown, U.S.A.;
- Will train 15 volunteers to;
- Teach 15 children in an elementary school to read during special classes two days a week;

Then the "Why" section describes:

- The high rate of illiteracy in Anytown
- The lack of teachers in Anytown

## **WHEN**

Give a date for the beginning and end of the project.

## **WHERE**

State exactly where the project will be carried out -- the street address, city, and state of the only location or the number of cities, states, or nations. In describing the geographic location(s), remember that not everyone is as familiar with your site(s) as you are.

## **WHO**

State that your organization is a not-for-profit, tax-exempt organization. Then describe why your organization exists.

## **HOW MUCH**

This section always says:

The cost of (the project) is \$\_\_\_\_. (Your organization) would like to submit a proposal to (name of potential funding source) requesting support for this project. (*This is the time the word "would"*

*is appropriate.)*

### **COVER LETTER FOR PROSPECTUS**

The cover letter for a Prospectus is one page and to the point, serving merely to introduce the Prospectus that is included with the letter. The letter and Prospectus are sent after an initial contact has been made, usually by telephone, with a potential funding source. Here are some rules to follow when writing a cover letter:

- Never repeat the information presented in the Prospectus;
- Write the letter on your organization's letterhead that includes a telephone number;
- Write the text of the letter with a flush left edge and a ragged right margin that looks like this page;
- Have the chief executive officer of your organization sign the letter.

## **SAMPLE LETTER FOLLOWING TELEPHONE CONTACT**

Name  
Title  
Company Name, Foundation, Government Agency  
Address

Dear (Mr. Ms., Mrs.):

Thank you for telling me about the XYZ Foundation's funding interests and guidelines, particularly your initiative in (name field that encompasses your project).

Enclosed is a Prospectus that describes (your organization's) efforts to respond to this need.

I will telephone you (five working days from date of letter) to answer any questions you may have and to arrange an opportunity to discuss our mutual concerns for (field of interest) further.

Thank you for your interest. I look forward to our working together.

Sincerely yours,  
Name of Chief Executive Officer  
Title

Enclosure

If no initial discussion can be initiated with a potential funding source, a letter accompanied by a Prospectus serves as the first introduction. Remember though - this "cold" approach is not likely to yield results. The following letter illustrates the only path to follow if this approach must be used. This letter assumes that careful research has been carried out about the funding priorities of the foundation or corporation and the proper person to receive the letter and Prospectus has been identified.