



Application Deadline

You must submit your organization's application by 5pm on March 1, 2018 via our [web portal](#). We will not consider late or incomplete applications.

For more information about the Democracy in Action Fund, we strongly encourage you to attend an in-person or phone [Information Session](#).

If you have questions after reviewing these materials, contact Headwaters' Program Officers:

Allison Johnson Heist, allison@headwatersfoundation.org or 612-400-6264

Melissa Rudnick, melissa@headwatersfoundation.org or 612-400-6266

Democracy in Action Fund

Headwaters' mission is to amplify the power of community to advance equity and justice. At a time when our democracy is failing and harming so many of us, we believe it is critical to invest in the people most impacted by injustice. The Democracy in Action Fund will support groups that use a community organizing approach to build and strengthen democratic systems and institutions that are inclusive, advance the self-determination of marginalized people, and are accountable to the community. Headwaters' Giving Project participants will raise funds and use our community-led grantmaking model to make one-year \$10,000 general operating grants.

Areas of Interest

We believe that communities need access and power to build an inclusive, just democracy. Headwaters has identified the following areas of interest for the Democracy in Action Fund; however, we are not limited only to these topics:

- Advancing more equitable and just public policies
- Preparing and engaging community members to participate in public life
- Increasing accountability of elected officials and decision makers
- Protecting voting rights and expanding access to the ballot
- Ensuring that every vote counts, and everyone is represented
- Limiting outsized, undisclosed, corporate spending to influence elections
- Protecting and expanding strong, independent, public-interest media

Note: A group does not need to be working on all these issue areas to apply for funding.

Funding Criteria

- The group identifies the area(s) of democracy they are working to change, influence, or strengthen; and how those changes will advance equity and justice in their community.

- The group is led by and for people most directly impacted by the issues that the organization is working on. Group has an organized constituency base of people who are directly affected, and the organization's leadership is reflective of and accountable to its constituency base.
- The group addresses the root causes or conditions of injustice through community organizing.
- The group has a clear analysis of the structural causes behind the challenges their community faces, as well as concrete goals and strategies to build power and change systems, or generate new ones.
- The group sees itself as part of a larger movement for racial and economic justice, and works towards strengthening that movement in collaboration with others. Group has an intersectional, cross-issue approach that makes connections between race, class, and gender.

Prioritizing Community Organizing

We believe that the communities most affected by inequity already hold the knowledge of what needs to be done to upend those inequities. The Democracy in Action fund will support groups that use community organizing and engagement as their core strategy to bring about a more just, inclusive democracy. We recognize that there are many different approaches to community organizing and value diversity of approaches in our funding.

All Democracy in Action fund grantee organizations will share the following characteristics:

- Led by the people most directly affected by the issues the organization is working on.
- Continually builds leadership from within its own membership, base, or community. Works to understand and address the root causes of the issues, not just the symptoms.
- Brings people together to build power they wouldn't have individually. We define power as "the capacity of a group of people to decide what they want and to act in an organized way to get it." (*Class Action, Building Bridges Across the Class Divide.*)
- Uses that power to create institutional, cultural, and structural change, which includes altering unjust power relations.
- Sees itself as part of a larger movement for social change, and works towards strengthening that movement.

Basic Eligibility Criteria

- Headwaters' support cannot be used for partisan efforts.
- Headwaters encourages emerging and established organizations at all stages of work to apply for funding.
- To be selected for funding, organizations must be a legally incorporated entity with 501(c)(3) or 501(c)(4) status or have a fiscal agent.
- Headwaters does not fund individuals.
- Organizations must carry out their work in Minnesota.
- Organizations must satisfy reporting requirements for all previous grants from Headwaters.
- The organization has limited access to mainstream funding sources.
- The organization and work is based in Minnesota.

Ineligible Organizations & Activities

- Requests from organizations that primarily provide direct services to individuals and families.
- Publications, reports, workshops, classes, conferences, media events, arts, theater productions, research, or litigation efforts unless they are part of an ongoing community organizing effort.
- Projects sponsored by a government agency. For example, Headwaters would not fund a project led by a public school district. However, we could fund a community group led by parents of color who are partnering with the public schools for example. The project must be community driven and led by those most directly affected by the problem.
- Individuals, endowment funds, or capital campaigns.
- Headwaters will not consider late or incomplete applications.

Proposal Must Include

- Answers to all application questions and financial information.
- Board and staff list, including demographics, using the template we provide
- If 501(c)(3) or 501(c)(4) organization:
 - 1 copy of IRS Letter of Determination
 - 1 copy of your most recently completed 990 (if your organization does not file a 990, please attach their most recent 990-EZ or 990-N)
- If you have a fiscal agent:
 - A letter from the fiscal agent's Executive Director verifying your fiscal relationship, dated within the last six months
 - 1 copy of the fiscal agent's IRS Letter of Determination
 - The fiscal agent's most recent audited financials (if your fiscal agent does not have audited financials, please attach their most recent 990, 990-EZ, or 990-N)
 - Your organization's year-end income and expense report
 - Your organization's year-end balance sheet

Proposal Narrative

1. *Organization Description.* Provide a summary of your organization, including your mission, history, goals, and major successes. (2500 character limit, including spaces)
2. *Organizing for Democracy + Systems Change.* The Democracy in Action Fund will support groups that use a community organizing approach to build and strengthen democratic systems and institutions that are inclusive, advance the self-determination of marginalized people, and are accountable to the community. Discuss the following areas as they relate to your organization:
 - A. Which of the following Areas of Interest are you working to change, influence, or strengthen? (check any that apply)
 - Advancing more equitable and just public policies
 - Preparing and engaging community members to participate in public life
 - Increasing accountability of elected officials and decision makers
 - Protecting voting rights and expanding access to the ballot
 - Ensuring that every vote counts, and everyone is represented
 - Limiting outsized, undisclosed, corporate spending to influence elections
 - Protecting and expanding strong, independent, public-interest media
 - Other (please explain in the space provided below)

- B. Why is this Area of Interest important to your community?
- C. What problems, needs, or opportunities does your work address?
- D. What are the root causes of these issues?
- E. How does your organization build collective power to address these issues?
- F. How will your work address the root causes and underlying power dynamics of the identified issues?

(2500 character limit, including spaces)

3. *Constituency Leadership.* The Democracy in Action Fund supports organizations that are led by and for communities directly impacted by injustice. Please discuss the following areas as they relate to your organization:

- A. What communities are most directly impacted by the issues your organization addresses?
- B. How are those communities involved in the leadership of your organization?
- C. How does your organization develop and retain leaders?

(2500 character limit, including spaces)

4. *Decision-making Power and Accountability.* Explain how your leadership, staff, and board of directors align with the core constituency of your organization and the issues they face. For example, if your constituency is LGBTQ people of color, how many board members identify as LGBTQ people of color?

- A. Who has decision-making power, and how are decisions made?
- B. How does your organization remain accountable to your constituency?
- C. If your leadership, staff, or board do not align with your core constituency, explain why.

(2500 character limit, including spaces)

Upload a list of your board of directors, staff, and key volunteers/leaders. You are required to use the [template](#) we provide.

5. *Work Plan.* Please describe your work plan covering the next 12 months.

- A. What are your overall goals and strategies for the next 12 months?
- B. How will these goals and strategies help strengthen democracy, and your community's ability to access democracy?
- C. What are your activities and objectives?
- D. How will you know you are successful?

(2500 character limit, including spaces)

6. *Racial Justice and Cross-Issue Analysis.* Headwaters prioritizes groups that use an intersectional approach to racial and economic justice, within the context of organizing for a more just, inclusive democracy. Tell us how your organization is working toward racial and

economic justice and how you are drawing connections across lines of race, class, and gender?

(2500 character limit, including spaces)

7. *Relationships.* Headwaters prioritizes groups that see themselves as part of a larger movement for social change. Tell us about a specific collaboration or coalition you belong to and your role.

- A. What is the collaboration's purpose and impact?
- B. What is your organization's role in the collaboration? And, how has your organization impacted the work of the coalition or collaboration?
- C. How has the partnership impacted your organization and community?

(2500 character limit, including spaces)

Financial Information

Please note: Democracy in Action Fund applicants are not required to submit any form of budget. Do not submit budgets adapted from other foundation proposals, the budget prepared for your board, or any other type of budget or financial planning document.

- 1. List your current and prospective foundation funders. In the space provided below, you must include the name of the foundation and the amount they currently give or are projected to give.

A. *Current Foundation Funders:*

Funder Name	Amount

Please provide additional details in the space below if you have more than five current funders.

B. *Prospective Foundation Funders:*

8. Funder Name	Amount

Please provide additional details in the space below if you have more than five prospective funders.

2. Describe the status of your foundation fundraising efforts. We are interested in learning about any new funders you have secured in the last year, any funders that may be cycling off from supporting your work, and any other unexpected changes (good or bad) in your overall foundation fundraising.

(2500 Character limit, including spacing)

3. Are you diversifying or trying any new approaches to fundraising (e.g., matching grants, grassroots fundraising, events, new appeals, major donor development, or government grants)? If so, what results are you seeing?

(2500 Character limit, including spacing)

4. What was your actual revenue and actual expenses for the most recently completed fiscal year?

Category	Amount
Actual Revenue	\$
Actual Expenses	\$

5. Please indicate which of the following you are projecting for the current fiscal year?
 - A. Current financial year revenue (check one)
 - Increased Revenue
 - Decreased Revenue
 - Stable Revenue
 - B. Current fiscal year expenses (check one)
 - Increased Expense
 - Decreased Expense
 - Stable Expense

6. Based on your most recent fiscal year end and your projections for your current fiscal year, what do you expect to be changing in your current fiscal year and next year? For example: major new expenses, major savings, staff expansions or contractions, new programs or campaign expenses, or major capital costs (moving or expanding office space, major computer upgrades, new database, buying a building or building maintenance, etc.).

(3000 Character limit, including spaces)

7. If you are a 501(c)(3) or 501(c)(4) nonprofit organization, attach your most recent 990 (if your organization does not file a 990, please attach their most recent 990-EZ or 990-N). Please disregard this question if you have a fiscal agent.
8. If you have a fiscal agent, please attach the following documents. Please disregard this question if you are a 501(c)(3) or 501(c)(4) nonprofit organization.
 - A. The fiscal agent's most recent audited financials (if your fiscal agent does not have audited financials, please attach their most recent 990, 990-EZ, or 990-N)
 - B. Your organization's year-end income and expense report
 - C. Your organization's year-end balance sheet.