



**HEADWATERS**<sup>TM</sup>

FOUNDATION *for* JUSTICE

# The Transformation Fund

## Application & Guidelines for Coalitions

[www.headwatersfoundation.org](http://www.headwatersfoundation.org)

# The Transformation Fund Guidelines & Application for Coalitions

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*"We have to act as if it were possible to radically transform the world. And we have to do it all the time." -Angela Davis*

*"I believe that if we can keep our values close, our imaginations open, and our stories fierce, we can and will win." - Thenmozhi Soundararajan*

**Note:** This information packet is for coalitions. If you are interested in applying for your organization only (not as part of a coalition), refer to the [Organization Applicant Packet](#) on our website.

## About the Fund

For more than 35 years, Headwaters has funded organizing, social change and community-leadership. In May 2020, Headwaters created The Transformation Fund in response to the murder of George Floyd and the uprising against systemic racism that followed. We wanted to move money quickly to frontline organizations as they cared for their communities and kept fighting against an ongoing culture of institutional violence and white supremacy. We also wanted to support the long-term movement work required for lasting change and collective liberation.

Since June, Headwaters has granted over [\\$1 million dollars in rapid response funding](#) to frontline organizations and communities through the first phase of this initiative.

**We are now thrilled to launch the second phase of The Transformation Fund. Grants will provide \$25,000 of general operating support per year for three years, for a total of \$75,000. Grants will support BIPOC-led groups that use a community organizing approach to advance justice, collective liberation, and self-determination.** Eligible organizations and coalitions will demonstrate accountability to their community and have a track record of building power and transforming unjust systems or building new, more equitable ones.

## Key Information At-a-Glance

Applications will be accepted starting Tuesday, November 17 via our grant portal. Applications are due by **5pm Central Time on Thursday, December 17**. Headwaters does not accept late or incomplete applications.

501c3, 501c4, and fiscally sponsored groups are eligible to apply. Coalitions of three or more organizations are also eligible to apply.

Applicant organizations and coalitions will need to describe:

- how they use community organizing as a primary way to advance social change;
- how their leadership is reflective of and accountable to their community;
- the structures and systems behind the challenges their community faces; and
- their goals and strategies to engage community, build power, and advance justice

Organizations that received funding from the first phase of The Transformation Fund are eligible to apply. Current and past Headwaters grantees are eligible to apply, as well as organizations that are new to Headwaters.

A committee of community members will make collective decisions about which applications will be selected for funding. Committee members will share Headwaters' values, have a demonstrated commitment to community, and/or be connected to local movement-building and organizing. Applicants will be notified of final decisions in April 2021.

## Coalitions

Headwaters sees coalition efforts as an important approach to social change work. In addition to supporting individual organizations, The Transformation Fund application is open to coalitions of BIPOC-led organizations.

**At least 51% of the organizations that make up the coalition's core membership must be BIPOC-led, accountable to the communities they represent, and organize for systems change.**

Coalitions of three or more organizations can apply through a Lead Applicant.

A coalition can only have **one** application submitted on its behalf.

An organization that applies as a Lead Applicant on behalf of a coalition may also complete a separate application for their organization. Funding decisions are independent of one another.

The Lead Applicant must:

- Be a legally incorporated entity with 501(c)(3) or 501(c)(4) status, or have a fiscal agent.
- Meet the criteria, eligibility, and requirements outlined in this packet.
- Be an active core member of the coalition.
- Take on the Lead Applicant responsibilities on behalf of the coalition (detailed below).

Lead Applicant responsibilities:

- The Lead Applicant will provide Headwaters with a main contact person that will serve as a contact on behalf of the coalition. Headwaters will communicate with and through this main contact person.
- The Lead Applicant (or their fiscal sponsor) will sign the grant agreement on behalf of the coalition.
- All funds will be disbursed directly to the Lead Applicant (or their fiscal sponsor).
- The Lead Applicant will be responsible for completing any required interim and final reports. Overdue reports can impact future funding eligibility of the Lead Applicant.

## **Core Criteria: Who is a Transformation Fund Grantee?**

Headwaters Foundation for Justice (HFJ) believes that people who are closest to injustice have the wisdom and power to transform society. **The Transformation Fund grants support organizations that prioritize community organizing as the core strategy to engage and build power in their communities to advance equity and justice.**

We recognize and value that there are different approaches to community organizing; and that organizing looks different in every community.

In recognition of this, we are not putting forth a single definition of community organizing. Instead, listed below are key characteristics of eligible organizations.

**In order for a coalition to be considered for funding, at least 51% of the organizations who are part of the coalition will have the following characteristics:**

- They are led by and for Black, Indigenous and People of Color (BIPOC) most directly affected by the issues the organization is working on. Meaning, a minimum of 51 percent of the organization's board of directors, staff, and community identify as BIPOC.
- The leadership is reflective of and accountable to its community.
- They continually build leadership from within their own membership, base, or community. Their members or base play a role in the organization's decision-making.
- They work to understand and address the root causes of the issues, not just the symptoms.
- They bring 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." (definition from "Class Action, Building Bridges Across the Class Divide.")
- They use that power to advance justice and create institutional, cultural, and/or structural change.
- They see themselves as part of a larger movement for social change, and work in relationship with other organizations towards strengthening that movement.

- They have an intersectional, cross-issue, collective liberation approach that makes connections between race, class, and gender.
- They have limited access to ongoing, mainstream funding sources.

## Application Eligibility and Requirements

To be eligible to apply, the Lead Applicant must:

- Be legally incorporated entity with 501(c)(3), **or**, 501(c)(4) status, **or** have a fiscal agent.
- Be based in and carry out its work in Minnesota.
- Satisfy reporting requirements for all previous Headwaters grants.

## Ineligible Organizations and Activities

- Requests from organizations that primarily provide direct services.
- Projects sponsored by a government agency.
- Endowment funds or capital campaigns.
- Individuals; these grants are for organizations.
- Partisan efforts.
- Organizations who submit late or incomplete applications.

## Application Deadline

You must submit your organization's application by 5 p.m. Central Time on December 17, 2020 via our grant portal. We will not consider late or incomplete applications.

***Please note: The Lead Applicant will need to begin an application from their Grant Portal account. If you want to work collaboratively on the narrative questions, plan to do so outside of the grant portal (i.e. [Google Docs](#)) because the application will not save if open in multiple browsers at the same time.***

A complete application includes:

- Answers to all application questions.
- Coalition membership list, using the template we provide (see Appendix).
- If the Lead Applicant is using a fiscal agent, the applicant must provide:
  - A letter from the fiscal agent's Executive Director verifying the fiscal relationship, dated within the last six months;

- 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 year-end income and expense report; and Your current balance sheet.

## Proposal Narrative for Coalitions

Definition of terms:

- For the purposes of this application, the term **Lead Applicant** refers to the organization that is applying on behalf of the coalition.
- The term **Coalition Members** refers to the organizations that make up the coalition.

Each question has a 400-word limit unless otherwise noted.

### 1. Coalition Description

Provide a summary of your coalition, including your reason for coming together, history, goals, and major successes.

What can be achieved through the coalition that could not be achieved by any one organization?

Why is your coalition effort needed in this specific moment?

### 2. Coalition Membership

At least 51% of the organizations that make up the coalition's core membership must be BIPOC-led, accountable to the communities they represent, and organize for systems change.

- Tell us about the make-up of your coalition members.
- How do you define membership in the coalition? What are the expectations of the organizations that are members of the coalition?
- Using the template we provide (see Appendix), please upload a list of Coalition Members.

### 3. Organizing for Social Change

Transformation Fund grants support organizations and coalition efforts in Minnesota that are led by and for Black, Indigenous, and People of Color (BIPOC) and use a community organizing approach to advance equity and justice.

Coalition members must have organized constituency bases; a clear analysis of structures and systems that challenge their community; and concrete goals and strategies to build power and change systems.

Please discuss the following areas as they relate to your coalition:

- What problems, needs, or opportunities does your work address? What are the root causes of these issues?
- How does your coalition build collective power?
- How will your work address the root causes and underlying power dynamics of the identified issues?

#### **4. Constituency Leadership**

Transformation Fund grants support BIPOC communities and leadership. Please discuss the following areas as they relate to your coalition:

- Which communities are most directly impacted by the issues your coalition addresses?
- How are individuals directly impacted by the issues involved in the coalition's leadership?

#### **5. Decision-Making Power and Accountability**

The Transformation Fund supports coalitions of BIPOC-led organizations that have clear decision-making processes and that are accountable to their communities.

Please discuss the following areas as they relate to your coalition:

- Within the coalition, has decision-making power, and how are decisions made?
- How are the coalition and its members accountable to and reflective of their communities?
- How are your community and constituent perspectives represented at the coalition level?

#### **6. Work Plan**

Please describe your work plan for the next two to three years. What are your overall goals and strategies? What are your planned activities and objectives? How will you know you are successful?

#### **7. Racial Justice and Cross-Issue Analysis**

We prioritize organizations and coalitions that use an intersectional approach to work on racial, gender, and economic justice. Tell us how your coalition draws connections across lines of race, gender, and class.

## Financial Information

**Please note:** Applicants are not required to submit any form of budget. Instead, we ask a series of finance related questions that help us understand what resources you are working with and how you plan to sustain the work.

**Answer the questions below on behalf of the coalition. We understand that oftentimes coalitions are not funded; if the coalition does not have funding or if the questions are non-applicable to your coalition, answer N/A.**

### 1. How is your coalition funded, if at all?

### 2. Current foundation funders

List any current foundation funders in the space provided below. Include the name of the foundation and the amount they currently give.

### 3. Prospective foundation funders

List any prospective foundation funders in the space provided below. Include the name of the foundation and the amount you estimate they will give.

### 4. Status of foundation fundraising

Describe the status of the coalition's foundation fundraising efforts. We are interested in learning about any new grants you received 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.

### 5. Non-foundation fundraising

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

### 6. Revenue and expenses

- a. What was your actual revenue for the most recently completed fiscal year?
- b. What was your actual expense for the most recently completed fiscal year?

### 7. Please indicate which of the following the coalition is projecting for the current fiscal year

- a. Revenue: Increased revenue, Decreased revenue, Stable revenue
- b. Expenses: Increased expense, Decreased expense, Stable expense

## **8. Anticipated changes**

We understand that we're in times of uncertainty, adaptation, and change. What do you anticipate might change in the next year or two from a financial perspective? 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.) (500 word limit)

## **Questions**

Information Sessions are a great way to get your questions answered. Visit [headwatersfoundation.org](https://headwatersfoundation.org) to RSVP for an upcoming session and to see our FAQs.

## **Additional Questions**

**For general questions, please contact:**

Melissa Rudnick, Program Director, [melissa@headwatersfoundation.org](mailto:melissa@headwatersfoundation.org), 612-400-6266

**For questions about accessing and navigating the grant portal, please contact:**

Ray Martinez, Program Manager, [ray@headwatersfoundation.org](mailto:ray@headwatersfoundation.org), 612-400-6262

## **Appendix**

You can download the [Coalition Members](#) template on our website.