

Title:

A Guide For Writing a Funding Proposal

Word Count:

782

Summary:

No guide for writing a funding proposal would be complete without cautioning that a business looking for funding cannot do so without also presenting a completed business plan. Every lender, whether bank or other financial institution, venture capitalist, or private individual, will want to see the firm's business plan in addition to the project detail.

Keywords:

funding,business,funding proposal,business plan,project funding,financing projects,business plan, writiung a funding proposal

Article Body:

No guide for writing a funding proposal would be complete without cautioning that a business looking for funding cannot do so without also presenting a completed business plan. Every lender, whether bank or other financial institution, venture capitalist, or private individual, will want to see the firm's business plan in addition to the project detail. They'll want to know the company's mission, its goals, its steps to achieving those goals, its products and services, its available resources, the market, the competition, and your firm's competitive edge.

The business plan that accompanies the funding proposal you write and present should also include the owners or officers and all major players such as executives and others instrumental in the day to day workings of the company.

If you're new to writing a funding proposal a guide is essential, whether a written brochure or publication, online assistance, or a counselor at the local small business development center. SCORE, the Service Corps for Retired Executives, is another top-notch resource that can guide you through writing a funding proposal. The volunteers are all retired executives and other experts who have been where you are and have succeeded.

In addition to the standard documents that the bank or credit union will require for the loan application, the lender also expects to see a written funding proposal when you apply for the loan. Rather than looking at writing a funding

proposal as a tedious chore, look at it as the guide for your lender to see just how exciting, promising and profitable your idea and firm could be and what an opportunity they have to be a financial part of your great venture.

Give your funding proposal a zippy but clear title, then talk about the overview of the project you've planned, supplying background information on the problem as you see it, the details of the project that will solve the problem, what resources you have available and what resources you'll need to get the job done, what staff and administration help you have and what else you might need, the facilities available for your project and any that you'll need to lease or buy in addition, any supplies or equipment or personnel that will be added, and any communication capabilities or requirements that are pertinent. Present a budget for your project.

Step by step, you should....

- \* Write a cover letter with your funding proposal, both as an enticement to read the proposal and a guide to what will be found in the funding proposal pages. Included in the cover letter, besides the title, are a brief introduction to your firm, the purpose of the loan and the amount of money you are requesting.

- \* The funding proposal should begin with the company name, address, and contact information such as phones and e-mails. Here should also be the names, titles and social security numbers of all the principals, the reason for the loan, the amount requested and details of what you will be doing with the money including the equipment and supplies purchase, perhaps the lease of new facilities, the resources now available, the staff that might be added, and the administration personnel that will oversee the project.

- \* Next offer extensive details about the firm, including any previous projects and performance, clientele, overall goals and objectives, unique aspects of the firm and the ownership and legal structure.

- \* Background information is next, with details about the company budget, as well as the project budget, the market and the competition, and your firm's standing among the competition. Details on the current clientele as well as an evaluation plan for determining the company's overall financial and competitive health and for that of the project itself should be included as well.

- \* All key personnel should be profiled, including their education, the accomplishment both as a firm member and prior, as well as their qualifications.

Along with background information and a budget for the project, you should provide all information and documents about the last three years of the company's operations. If not in business that long, provide the financial statements including balance sheets and income statements that you have. Collateral should be pledged for the funding.

\* Written communication is a crucial part of your funding proposal and someone should guide you through the process by proofreading the materials, to check for spelling, grammar, factual accuracy and overall quality of presentation.

Any time you apply for a loan, whether the details of the needed resources, the project overview, the statement of the problem, and the budget are already in the application or the cover letter, you should still submit a funding proposal as an overall guide to the loan officer and other funding decision makers.