



Activate Fund

Earned Revenue Accelerator

Program Guidelines



- A. Earned Revenue Accelerator (p. 1)
- B. Eligibility Criteria (p. 2)
- C. How We Make Awards (p. 3)
- D. Executive Summary (p. 6)

A. Earned Revenue Accelerator

About the Earned Revenue Accelerator. The Earned Revenue Accelerator (Accelerator) is a pilot program of Co.act Detroit's Activate Fund. The Accelerator helps nonprofits in Wayne County to diversify their funding sources by growing an existing revenue-producing product or service with a three-month intensive learning cohort.

Through a competitive selection process, up to six (6) organizations will be chosen to engage in **virtual** curricula led by experts on topics including:

1. Business plan, cash flow mgt., customer discovery
2. Financing, tax and legal considerations
3. Board Engagement, stakeholder buy-in, staffing + operations
4. Marketing, branding, e-commerce
5. Storytelling, pitch development + delivery
6. Navigating and pivoting operations, post-COVID

In addition, to workshops on the above topics, the cohort will have access to one-on-one office hours with the class facilitators. The Accelerator is expected to run from March – June 2021.

Participants in this cohort can expect to walk away with the following elements to advance their revenue generating idea(s):

- Business Plan + Cash Flow Projections
- Impact Measurement Criteria + Metrics
- Pitch Deck + Pitch Ready
- Branding + Design Materials
- Opportunity to receive a cash award to advance idea(s)

Participants are expected to:

- Attend the twelve-week virtual course, which includes three hours of live, virtual office hours per week. We recommend organizations assign two leadership staff to attend each class so that in the event of emergency, no participant organization falls behind.
- Participate in a final project/pitch event.
- Submit a copy of final business plan, cash flow analysis, pitch deck and design materials to Co.act Detroit staff.

We highly encourage full, live participation to ensure that key foundational content is delivered. However, Co.act staff and class facilitators will work with awardees on a case-by-case basis in the event an awardee organization cannot attend all sessions.

NOTE: Out of concern for public health, all program classes, office hours and events will be provided virtually.

Accelerator Timeline

- Applications launched (Jan 11, 2021)
- Applications close (Jan 29, 2021)
- Notifications to Awardees (Early-March 2021)
- Awardee On-boarding (March 2021)
- Curriculum (March - May 2021). Curriculum includes a rotating bi-weekly cadence of 3-hour workshops and one-on-one office hours, switching every other week.
- Pitch Preparation (Late-May 2021)
- Pitch Competition - Video Posted (May-June 2021)

B. Eligibility Criteria

You must meet the following to be eligible:

1. **501(c)(3) Status:** Organizations must be a registered 501(c)(3) in good standing with the IRS
2. **Geography Served:** Organizations must serve at least one community within Wayne County
3. **MVP:** Organization has at least 1 Minimum Viable Product (MVP) or Service

4. **Commercial Sales History:** Organization is selling the product or service (not donation based) and has at least six months of commercial sales history*

*NOTE: This history does not have to be within the last 6 months. We recognize COVID-19 may have significantly impacted operations. There are no restrictions on what year the 6 months of sales history occurred.

5. **Customer Discovery:** Organization has identified a target customer profile and completed minimal customer discovery

Who is ineligible to apply?

1. Individuals.
2. Organizations that require a fiscal sponsor.
3. Organizations that discriminate on the basis of race, color, religion, gender, national origin, citizenship status, age, disability, sexual orientation or veteran status.
4. Organizations that require membership in certain religions or advance a particular religious faith (Faith-based organizations may be eligible if they welcome and serve all members of the community regardless of religious belief.)
5. For-profit organizations or organizations operated to benefit for-profit organizations.
6. Community college, college and university programs that concentrate primarily on degree-granting activities. Academic institutions may be eligible if they provide other programs beyond primarily degree-granting activities that serve a broader community.

C. How We Make Awards

Overview of Process:

There are two steps to the Earned Revenue Accelerator application process:

1. Submit your application
2. Committee review and selection

STEP ONE: SUBMIT APPLICATION MATERIALS

Applications will open on January 11, 2021. The application will begin with preliminary questions to determine eligibility. If your nonprofit meets all requirements, you will be directed to the full application. Applications must be submitted online through **Submittable** at www.submittable.coactdetroit.com by 11:59pm EST January 29, 2021.

Application Checklist:

Applications must answer all required questions and attach:

1. Cover letter signed by executive or board leadership
2. Six months of consecutive commercial sales history (not required to be the last six months)*
3. IRS 501(c)(3) federal tax-exemption letter
4. Organization's diversity/equity/inclusion philosophy (visit the Application Appendix for examples)
5. Operating budget for current fiscal year

***NOTE: This history does not have to be within the last 6 months. We recognize COVID-19 may have significantly impacted operations. There are no restrictions on what year the 6 months of sales history occurred.**

Incomplete/partial applications will not be considered and deemed ineligible.

Application Confirmation: Applicants will receive an automatic confirmation email after submission. It may take several days to process applications. Please note that an email address is required to receive confirmation that an application has been received.

STEP TWO: COMMITTEE REVIEW AND SELECTION

We expect to receive a highly competitive pool of applications from across Wayne County. Awards are provided on a competitive basis. Not all who apply will be awarded. All applicants will be competing for up to six (6) available cohort slots. The following outline describes our selection process and criteria for the Earned Revenue Accelerator program.

- Every eligible application will receive at least two scores from the review committee.
- Applications with the highest scores will be considered 'finalists' by the review committee and will be advanced for a final review by the jury.
- The jury will take into account aggregate scores as well as applicant's organization and leadership demographic data to ensure a diverse and representative grantee cohort that fosters a culture of peer learning is selected.
- The jury will convene for a discussion and make a final recommendation to Co.act for grantee awards. Co.act reserves the right to make final decisions regarding grant awards.

Scoring Criteria: Applicants will be scored based on **four** criteria:

1. **Demonstrable viability and demand** for the product or service - Is there reasonable market demand for this product or service?
 - i. Yes, there is ample market demand for product or service

- ii. There is some evidence of market demand for product or service. Additional customer discovery or product refinement may be required.
 - iii. No, there is insufficient evidence of market demand for this product or service

2. **Demonstrable and Catalytic Impact** - Will this award help fulfill the organization’s mission? Will participation in this accelerator help the organization’s ability to implement or grow a viable earned revenue stream?
 - i. Very Impactful
 - ii. Somewhat Impactful
 - iii. Not Impactful

3. **Capacity to Participate** - Can this applicant participate in an intensive 3-month cohort (through June 2021)?
 - i. i. Barring unforeseen circumstances, yes
 - ii. Possible but I have concerns (i.e., organization does not have dedicated staff to this program, etc.)
 - iii. This applicant cannot participate for the three-month cohort period

4. **Alignment with Co.act Values*** - Does the applicant demonstrate alignment with Co.act’s Values?
 - i. Very aligned
 - ii. Somewhat aligned
 - iii. Not aligned

**See ‘About The Activate Fund’ section at the end of this program guidelines document*

Representative and Diverse Grantee Cohort - It’s important to Co.act that as a whole, the cohort of selected grantee organizations be diverse and representative - both in terms of the communities they serve (e.g., organization size, geography served, years operating, etc.) and individual leadership (racial and gender equity).

In addition to the above criteria, Co.act may select the final awardees to ensure a diverse mix of:

- Budget size
- Market Sector
- Product/Service
- Beneficiary serving
- Diversity of organization demographics

Expectation of Participants

Participants will be expected to participate in all aspects of the program, including such activities as sharing their story through media / promotion of the Activate Fund. These types of opportunities will be determined after participants are announced. All participants are expected to sign a participation agreement, which contains the detailed terms and conditions of the Earned Revenue Accelerator program.

Confidentiality

Applicant proprietary and confidential data will not be shared beyond the purposes of review during the selection process and providing business support. Applicant data will not be sold.

Disclaimer

The information contained herein is subject to the actual documents and the written terms and conditions of the Activate Fund program, as the same may be amended from time to time. Co.act Detroit reserves the right to make the final determination of any person's or organization's eligibility and/or qualifications for program benefits, and to make allocation of program benefits as it may, in sole discretion, deem appropriate.

If you would like more information on the Earned Revenue Accelerator, please contact activateinfo@coactdetroit.org or call 313-789-1386 Ext 300.

D. Executive Summary

About the Activate Fund

Co.act Detroit is shaping a grantmaking strategy for investing in nonprofit organizations and collaborative action in the nonprofit sector. As part of this strategy, Co.act Detroit is launching the Activate Fund Earned Revenue Accelerator to enhance nonprofit organizations' capacity to effect transformative impact in their communities. Inspired by recommendations from the report "Building a Network: Recommendations for Redefining Capacity Building in Southeast Michigan," our grantmaking strategy focuses on strengthening nonprofit capacity in two ways:

1. **Build Nonprofit Organizations' Internal Capacity to Fulfill Their Missions.** We believe that nonprofit organizations must have their internal needs met before they can effectively meet the needs of the populations they serve. The report identified these 7 capacity areas impact nonprofits' ability to meet mission: Talent, Operations, Funding & Resources, Organizational Culture, Strategy & Planning, Program Development, Leadership & Governance.
2. **Build Nonprofit Organizations' Capacity to Work Collaboratively.** We believe that working in collaboration allows nonprofits to multiply strength, resources, and knowledge. This leads to transformative impact beyond the scope of what a single organization could achieve working on its own.

Like the recommendations in 'Building a Network,' Co.act Detroit's grantmaking strategy is founded on a deep commitment to advancing racial and social equity - both within the nonprofit sector and in local communities.

Through the Activate Fund we seek to provide an experience that facilitates access to high quality technical assistance for nonprofit organizations, recognizing systemic barriers which often limit access. Learn more about Building a Network at www.mi-community.org/buildinganetwork.

Co.act Detroit's Capacity Building Values and Core Beliefs: Our approach to capacity building is founded on these core beliefs:

1. We value investment that reduces the burden on nonprofits and increasing access to resources. We believe that nonprofit organizations and their leaders are innately resourceful and capable of achieving their visions for change. However, they face systemic barriers which limit their success.
2. We value relationship-driven capacity building that is collaborative, not prescriptive. We believe that nonprofit organizations with access to funding, decision makers, and effective, customized technical support, will realize their potential as key drivers of change in their communities.
3. We value investment in organizational development and professional growth. We believe in equipping nonprofit organizations to have transformative impact in their communities by strengthening their capacity to:
 - i. Achieve their individual visions for community change
 - ii. Work collaboratively as part of a broad-based network to address systemic barriers and inequities which limit their success
 - iii. We value capacity building that advances social justice and racial equity. We believe in closing the racial leadership gap to create space for new, more culturally aware perspectives on problem-solving, needs, and priorities in disadvantaged communities to emerge.

Applicants are encouraged to develop applications that align with these core values and beliefs and demonstrate how the award will enhance your organization's ability to deliver transformative outcomes for the constituents you serve.