

How to Write an LOI (Letter of Interest or Intent) for Grants

Are you familiar with crafting a compelling Letter of Intent (LOI) to make a memorable first impression on prospective funders? A thoughtfully written LOI is often the initial step in securing crucial grant funding. This concise document can lay the foundation for your entire application, providing an opportunity to highlight your organization's vision and goals. Grasping the intricacies of an effective LOI is essential. Let's delve into its purpose, significance, and how it can enhance the success of your grant application.

What Is a Letter of Intent (LOI)?

A Letter of Intent (LOI) is a document created to attract the interest of a grant provider. It serves as a preliminary request for grant materials and usually outlines the key activities and projects of the organization seeking the grant. Typically, the LOI is drafted by either the organization's director or the operations coordinator.

In the realm of grant funding, LOI can have several meanings and often appears in our grant listings. It can also stand for "Letter of Interest" or "Letter of Inquiry."

Funding sources may use the LOI to gauge the number of organizations planning to apply for a grant or contract. This helps them assemble a review team in advance of the grant deadline. Additionally, submitting an LOI adds your organization to the mailing list for any future updates or changes to the application process, including deadline adjustments.

Many funding agencies require a brief LOI as a precursor to a full proposal. These letters are reviewed to determine which projects align with the funding source's interests, and only those projects are invited to submit a full proposal. Occasionally, funding sources may not announce a proposal deadline until after the LOIs are received. In such cases, our staff will list the LOI deadline on our site as the proposal due date until further details are available.

Funding sources usually provide a structure to follow when writing an LOI. Typically, it should be no longer than two pages and should include an introduction to your project, your organization's contact details, a description of your organization, a statement of need, your methodology, a brief mention of other funding sources, and a summary.

While foundations often provide a template for the LOI, the following tips might help you craft a successful letter:

11 Tips for Writing an Effective LOI

1. **Keep It Concise:** The LOI should be a brief, one to two-page letter summarizing your full proposal. Occasionally, it may extend to three pages.
2. **Format Properly:** Use your organization's business letterhead for the LOI. Ensure your company's address is on the letterhead or added to the right-hand side of the letter. The recipient's address should appear on the left-hand side.
3. **Address Specifically:** Use the recipient's specific name rather than generic salutations like "Dear Sir" or "To Whom It May Concern."
4. **Craft a Strong Opening:** The opening line should be a compelling summary that captures the reader's interest. Mention your organization's name, the grant you are applying for, the amount requested, and a brief project description. Highlight how your project aligns with the funder's interests.
5. **Provide Organizational Background:** Briefly describe your nonprofit and its programs, linking your current work to what you aim to achieve with the funding. Include details about your target population and geographic area, supported by relevant statistics and examples of successes and needs.
6. **Detail Your Objectives:** Explain how the funding will address the problem. Describe your project and its major activities, including key staff involved.
7. **Mention Other Funding:** Include a brief note about any other funding requests and mention any funds already secured, as well as future support plans.
8. **Summarize and Invite Questions:** Conclude with a summary of your goals and indicate your willingness to provide additional information. Thank the funder for considering your request.
9. **Attach Relevant Documents:** You may include additional forms that support your information, but remember that this is an LOI, not a full proposal.
10. **Follow Guidelines:** Adhere to any specific guidelines provided by the funder to ensure you include all required information. Omitting details could lead to your LOI being overlooked.
11. **Close Formally:** Use formal business salutations such as "Sincerely" or "Respectfully" when signing the LOI, avoiding overly casual closings.