

## **EXPLANATION OF HOW RSWR GRANT-MAKING WORKS – SIERRA LEONE**

1. If your project is chosen, RSWR provides your organization the amount of the grant you have requested. Our grant limit is US\$5,500. (Please see the Guidelines attached for more information.)
2. With this grant money, RSWR expects your organization to LOAN money to members of your group so that they can start small businesses (INCOME GENERATING PROJECTS) . This loan is called SEED MONEY as it seeds new businesses. We expect that all the seed money will be used for income generating projects and that your proposal will clearly describe all the income generating activities.
3. The women who receive the loans (BENEFICIARIES) must pay back their loans to your group. All of the seed money lent to members must be repaid.
4. The repaid funds (REVOLVING FUNDS) will then be lent again to women in the group. It is acceptable for a woman to receive up to three loans from the revolving fund to upgrade and strengthen her business over a three year cycle, as long as she pays back the previous loan. After a woman receives 3 loans, it is expected that the funds will be lent to new women to start their own businesses. In this manner, the original grant money which your organization receives from RSWR will continue to be recycled and grow in your community so that many people will be able to start businesses. Some groups may decide to give fewer loans to each woman to revolve the funds faster.

**INCOME GENERATING PROJECTS (IGP)**, must be well-thought-out and well-run so that they continue to make money for their owners long after the original seed money has been repaid to the group. It is the responsibility of your group to think of a profitable business (or businesses) idea. RSWR expects that the women beneficiaries themselves, will make all of the decisions about the project, including what income generating projects they wish to propose, how they will repay their loans, and how much money they will save monthly.

**WRITING YOUR BUDGET:** In addition to the seed money which you are requesting, we expect that an organization will take responsibility to train the members of your group in how to undertake their business, maintain their accounts, and generally make the business a success. We also expect that any good project will have some administrative costs for mailing and banking and other office expenses. **Therefore, we expect that a well devised budget will include categories for seed money, training, administration and perhaps travel expenses.** Budget categories must be outlined clearly and within the following guidelines: 60% or more for seed money, no more than 15% for training, no more than 5% for travel, no more than 10% for administration.

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