



TIPS FOR SUCCESS FOR BRAIDED FUNDING

Utilizing braided funding is a best practice that enables Homeless Veterans Reintegration Program (HVRP) grantees to enhance fundamental grant services and improve outcomes. This tip sheet is designed to help HVRP grantees broaden and enrich the employment services they provide to veterans experiencing homelessness. The focus is on using multiple, “braided,” sources of funding to provide services that are not within the scope of the HVRP grant but that help advance the goal of ending veteran homelessness through employment. Examples are based on discussions with HVRP grantee staff who have secured additional funds from non-federal sources and administered these funds to serve HVRP clients.

What is Braided Funding?

You may have heard the term “braided funding” before. It’s not as complicated as it sounds. Under this model, an organization uses more than one source of funding to serve a single client, hold a particular event, etc. To meet funders’ requirements, the organization must keep careful track of how the funds are spent, with an accounting of how all money from each funding source is spent. The term “braided” is used because multiple funding streams start out as separate sources of funding, then are brought together to pay for services/resources that require more than any one stream can support. This is different from “blended funding,” in which an organization has several funding sources and pools the funding to spend as necessary. With blended funding, an organization essentially co-mingles the funds into one “pot” and uses the money as needed without separating out the costs by funder.

The braided funding model is particularly helpful when an HVRP grantee has a major grant that places limitations on:

- Types of services that can be provided to individuals,
- Types of individuals who can be served, and/or
- How money can be spent on an event.

HVRP grantees can provide a much richer service array when they braid funding streams to address veterans’ needs holistically. HVRP grants allow organizations to provide valuable services to eligible veterans. However, the grants are limited to \$300,000 for urban grantees and \$200,000 for non-urban grantees, and they include strict spending rules. To serve a broader group of people and to provide additional services, grantees can use other funding sources. For example, 41 percent of HVRP grantees also receive Supportive Services for Veterans Families (SSVF) grants, which allow grantees to provide additional services and connections to housing. Other HVRP grantees receive funding from the U.S. Department of Housing and Urban Development (HUD).

Many federal grants include very specific limitations, while other grants, such as state grants and smaller grants from private foundations, have fewer restrictions on the way the money is spent. In fact, organizations can apply to foundations for specific services, tools, materials, or activities not funded by government grants. Organizations that have HVRP and other federal grants find it helpful to have access to this latter type of funding. With braided funding, HVRP grantees can spend money in ways that are prohibited by HVRP or other federal rules, so long as they document that the money for this spending comes from the other source.



In Houston, TX, Career and Recovery Resources, Inc. enhanced HVRP grant services by applying for foundation funds for use in improving job retention outcomes.

What Can Braided Funding Accomplish?

Grantees can use HVRP funding for very specific employment-related purposes. However, HVRP clients often have needs that are not entirely or directly work-related but that have a great bearing on their stability. HVRP grantees can use other sources of funding to fill these needs, which could include paying for transitional housing while waiting for permanent housing, storage unit rental, assistance with utility payments, a cell phone, a bicycle, or money for car repairs. Unrestricted funds also allow for enhancement of employment services, such as providing USB “thumb drives” to veterans for storing their resumes. Following are a few examples, based on information from HVRP grantees. Keep in mind that individual grant requirements vary and can change each time the grant is issued, but the examples illustrate some of the general ways HVRP grantees can successfully braid funding streams.

- *Tito is a veteran who drove a truck prior to his enlistment. An employment program was helping Tito re-establish his commercial driver’s license (CDL). The program used its federal grant to pay for a highway safety course required by the state, and Tito’s case manager had planned to use grant funds to pay Tito’s license fee. However, when his case manager took Tito to the Department of Motor Vehicles, they learned that Tito’s former employer had failed to pay a ticket as promised, and therefore Tito could not renew his driver’s license until he paid the fine plus accumulated interest. Paying penalties and interest is not a permissible use of the organization’s federal grant, so Tito’s case manager used funding from a grant that the organization had received from a corporate foundation. The case manager submitted paperwork to the accounting department, which carefully documented which funds were used for which purpose.*
- *An organization received a federal grant to pay for a “stand down” event for veterans experiencing homelessness. The staff member planning the event wanted to offer pocket organizers to participants, because he thought it would help people with their job search. The program manager agreed that the organizers would be helpful, but she did not think there were enough*

grant funds. The two of them called local businesses and found a bank that was willing to donate organizers to the cause.

- *An employment provider cannot use its federal grant funds to pay a wage to veterans while they are working a transitional job. One provider, however, employs veterans through two affiliated nonprofit organizations that manufacture cardboard boxes and provide home weatherization services. Although these “social enterprises” are nonprofit organizations, they generate a stream of revenue that is used to pay wages.*
- *To boost job retention rates, an employment program offered gift cards as incentives to veterans who reached employment milestones, such as 6 months, a year, etc. Incentives such as these are not permissible uses of the program’s federal grant. To fund the gift cards, the organization approached a foundation for financial help and then collected data showing that providing incentives was associated with increased job tenure.*
- *Laverne’s case manager is helping her find housing through a federal program that provides veterans with housing vouchers. However, the program does not cover application fees for apartments. The agency had identified this barrier to housing veterans and applied for a small grant from a community foundation. Since receiving the funding, the agency has helped veterans such as Laverne apply for houses and apartments, and the foundation is able to tout its role in housing a number of veterans in need.*
- *Jane is an outreach worker who helps connect veterans experiencing homelessness to her agency’s employment program. She occasionally encounters people who have served in the National Guard but were never called to active duty. They are, therefore, not eligible for services under the federal grant that funds the employment program. The program manager designed a method to serve these individuals by allocating costs associated to serving them to workforce funding streams that are not veteran specific.*

Tips for Diversifying Funding Sources

- Aggressively pursue multiple sources of funding. Look for foundations that serve your community, and look for grants made by state departments of veteran affairs. In general, the more local the funding source, and the fewer the restrictions, the more likely it is that the source can help you provide more comprehensive services.
- Remember that veterans are people first. Any funding that is available to help people with low-incomes, people with disabilities, older adults, etc., can also be used to assist veterans who fall into those categories. A focus on assisting veterans within the priority population may even make the application for funding more compelling.
- Try to identify distinct areas of need that cannot be addressed through current funding mechanisms. Point out to a potential funder how its funding could be used to produce big results with a relatively small amount of funding. As an example, a program that needed help with application fees so program participants could take advantage of available rent subsidies successfully used this approach. Also, try to develop sources of unrestricted funds available for “catch-all” veteran needs that are tied to program objectives. Make sure you supply funding sources with “success stories” so they can demonstrate how their funding is making an impact within the community.
- Braided funding is not the only way to expand services to HVRP participants. Another approach is to serve as an intake point to “mainstream” services (i.e., services also available to non-veterans). HVRP grantees often find it helpful to network with agencies that provide services such as identification, legal services, family services, and utility assistance to low-income populations, which makes it simpler to enroll income-eligible veterans in these services.

Tips for Administering Braided Funding Streams

- Design intake procedures that cover eligibility requirements for current and potential funding sources. Make sure to cover common eligibility criteria other than military services, such as disability, having children, history of homelessness, etc. Client records should identify which funding streams and services are permissible for that client.
- Make sure your accounting system tracks spending by funding stream. Many programs use a client identifier and a project identifier that are attached to each request for funds. When services are provided to a group, it is important to be able to attribute costs to a funding source only for those clients who are eligible.
- Design a single point of entry for services funded by multiple programs. Your staff should be making determinations about who is eligible for which program, rather than relying on clients to make appropriate decisions. In fact, a client does not need to know which funding pays for which services. This model can also apply to providing services to employers (i.e., potential employers have a single contact who can provide workers who are being trained by multiple programs).
- Ensure that staff receive specific training about which expenses are permissible under which programs.
- Use unrestricted funding, when possible, to assist veterans who are not yet eligible for HVRP-funded services, but might be in the future. For example, providing emergency utility assistance (funded by another source) to a veteran who is at risk of eviction helps establish a trusting relationship.