

Skoll Awards for Social Entrepreneurship Guidelines

"Many of the problems of our modern world, ranging from disease to drugs to crime to terrorism, derive from the inequalities between the rich and the poor . . . be they rich nation versus poor nation or rich community versus poor community. It is in the best interests of the well-off to help empower those who are not as well-off to improve their lives." —Jeff Skoll

» [Read about recipients of the Skoll Awards for Social Entrepreneurship.](#)

» [Click here to take an Eligibility Quiz.](#)

The Skoll Foundation's mission is to advance systemic change to benefit communities around the world by investing in, connecting and celebrating social entrepreneurs. We believe that [social entrepreneurs](#) see opportunities where others see problems and crises. They apply innovative solutions to social and environmental issues, empowering people and communities to envision and create positive change. They work in many kinds of organizations, including nonprofits, social purpose ventures such as community development banks, and hybrid organizations that mix elements of nonprofit and for-profit organizations.

The Skoll Foundation believes that social entrepreneurs represent a powerful force for [large-scale impact](#) or [equilibrium change](#). Their work has the potential to reduce economic disparities, increase opportunities for the disadvantaged, promote healthy communities, and increase the interpersonal and intercultural understanding that is the foundation for world peace.

For a more in-depth discussion of social entrepreneurship, please refer to "[Social Entrepreneurship: a Case for Definition.](#)"

The Skoll Awards for Social Entrepreneurship

The Skoll Awards for Social Entrepreneurship support social entrepreneurs whose work has the potential for large-scale influence on [critical challenges of our time](#): environmental sustainability, health, tolerance and human rights, institutional responsibility, economic and social equity, and peace and security. These issues are at the heart of the foundation's vision of empowering people to create a peaceful, prosperous, sustainable world. **Within these issues, we are particularly interested in applications from social entrepreneurs working in five critical sub-issue areas that threaten the survival of humanity – climate change, nuclear proliferation, global pandemics, conflict in the Middle East and water scarcity.**

Skoll social entrepreneurs are innovators who have tested and prove their approach, are poised to [replicate or scale up](#) their work to create [equilibrium change](#) and engage others with a message that resonates with individuals whose resources are crucial to advancing these solutions. The Skoll Awards are designed for leaders who contribute value to a peer network committed to continuous learning. By telling their stories, they join in the foundation's ongoing celebration of the power of social entrepreneurs.

The Skoll Awards provide [later-stage, or mezzanine](#), funding, which is generally structured as a \$750,000 award paid out over three years, subject to payment limitations described below under [Budget Guidance](#). In most cases, the grant is provided for [core support](#) to help organizations expand their programs and capacity to deliver long-term, sustainable equilibrium change. The Skoll Awards are not intended for new or early-stage programs or initiatives. Programs submitted for consideration should have a track record of no less than three years. In addition to core support,

the Skoll Foundation supports the participation of Award recipients in the annual [Skoll World Forum on Social Entrepreneurship](#).

Deadline for Applying:

Applications are accepted and reviewed on a year-round basis, with successful applicants receiving initial funding installments shortly after decisions are made. Regular deadlines (listed below and updated regularly) assist us in managing the internal review process for these applications, a process that takes a minimum of six months to be completed. Awards will be presented publicly at a ceremony at the Skoll World Forum, which occurs at the end of every spring in Oxford, England.

Please note the following application deadline:

- February 17, 2010

We will post future deadlines as they become available.

Please note that applicants who are not selected must wait 24 months before reapplying.

The following sections are designed to provide an in-depth description of our eligibility criteria, the application process, frequently asked questions (FAQs) and instructions on filling out the application. It is our hope that this material will give prospective applicants a clear understanding of our criteria. We encourage you to review all materials prior to filling out the application.

Eligibility Criteria

To be considered for a Skoll Award for Social Entrepreneurship, an organization must be led by a social entrepreneur and meet the criteria described below.

Qualifying organizations **will**:

- Be led by a social entrepreneur
- Have implemented innovative programs that demonstrate effective approaches to critical social and environmental challenges with global implications. Organizations developing local or regional models for replication on a national or international scale should show that the location where the model is being tested is central to the issue in question. Examples are peace and security initiatives in conflict regions, biodiversity solutions in species-rich "hot spots," educational opportunities in inner cities and disease treatments at the source of potential epidemics.
- Be able to describe a clear, long-term path to creating an equilibrium change
- Demonstrate [proof of concept](#) with measurable outcomes
- Have a clear, compelling plan for reaching scale
- Demonstrate a [track record](#) of at least three years
- Have a clear plan for long-term financial and operational [sustainability](#)
- Commit to working with peers and the Skoll Foundation to share learning and communicate success strategies

In general, Skoll Awards for Social Entrepreneurship **will not** support:

- Individuals, either through scholarships or other forms of financial support
- New or early-stage business plans or ideas
- Organizations whose mission and work focus on a single municipality, province or state
- Government agencies
- Public schools and school districts

- Programs promoting religious or ideological doctrine, such as those principally [sectarian](#) in nature
- Lobbying (beyond that allowed by law for charitable organizations)
- Film financing
- [Endowments](#), cash reserves or deficit reductions
- Land or site acquisition
- Political campaigns
- Institutions that discriminate on the basis of race, creed, age, gender or sexual orientation in policy or practice
- Grantmaking to other organizations or individuals

Budget Guidance

Although Skoll does not have an absolute budget threshold for eligibility, as a practical matter, organizations with annual revenues below (U.S.) \$2.5 million, if activities are primarily in developed countries, or below (U.S.) \$1 million, if activities are primarily in developing countries, tend to be less competitive. The selection process prioritizes organizations based on their readiness to scale up their work significantly and, hence, favors organizations above these budget thresholds.

You may find it instructive to visit the Web sites of past Award recipients and note their budgets, the numbers of their partners, sites and beneficiaries, and the scope of their activities. As further guidance, please note that organizations receiving a Skoll Award for Social Entrepreneurship in 2007 with activities primarily in the developed world had median revenues of (U.S.) \$5 million, while those primarily in the developing world had median revenues of (U.S.) \$2 million.

An additional consideration is the amount of the Skoll Award (generally \$750,000) as a percent of your organization's total budget. In calculating payments of the Skoll Award, we will not make payments that represent more than 30 percent of an organization's actual revenues in the first year of the Award, 25 percent in the second year and 20 percent in the third year. This guideline reflects our interest in funding organizations that are growing their funding base and reducing reliance over time on Skoll funding.

Legal Structures

To receive a Skoll Award, an organization must be a legally incorporated entity. The Skoll Foundation recognizes that social entrepreneurs work in the business sector as well as in the nonprofit arena. For-profit or hybrid organizations may apply for funding if the grant or program-related investment would contribute to a charitable purpose and activities.

Organizations that do not have [U.S. IRS 501\(c\)\(3\)](#) nonprofit status, including organizations based in other countries, will be asked to submit additional documentation at the appropriate time. Please do not submit any additional information with your Online Application.

How to Apply

Please note that the selection process for Skoll Awards for Social Entrepreneurship is highly competitive. Each year the Skoll Foundation receives hundreds of applications for the small number of Awards offered, which means that many fine organizations are not selected for an Award. We have enormous regard for the important work being done by *all* of our applicants, whether they are selected for an Award or not.

Our application process is designed to select organizations that most closely align with our criteria. We urge applicants to complete the [Eligibility Quiz](#) to assess whether their organization meets our selection criteria.

Applications are accepted and reviewed on a year-round basis, with successful applicants receiving initial funding installments shortly after decisions are made. Regular deadlines assist us in managing the internal review process for these applications, a process that takes a minimum of six months to be completed. Awards will be presented publicly at a ceremony at the Skoll World Forum on Social Entrepreneurship, which occurs at the end of every March in Oxford, England.

Applicants who are not selected must wait 24 months before reapplying. All applicants must complete an **Eligibility Quiz** before filling out the Online Application. The Eligibility Quiz is designed to help applicants assess their competitiveness and avoid preparing an application that is not likely to match Skoll's selection criteria.

Application Process

Below is a description of the application process. For more detailed instructions on how to fill out the application, please see the "[Online Application and Instructions](#)" section.

1. The first stage is the **Eligibility Quiz**. This tool is intended to help applicants assess their eligibility and potential competitiveness for a Skoll Award. At the end of the quiz, applicants are given a code that allows them to access the application. ***Applicants cannot move forward to the next phase until they have completed the Eligibility Quiz. However, you can [view a preview of the application](#) before taking the quiz.***
2. The second stage is the **Online Application**. After taking the Eligibility Quiz, applicants who feel that their organization is eligible can proceed to completing an Online Application that requests key organizational details and brief answers to 10 questions. Skoll staff will review all applications. Those that are less competitive or do not fit our criteria will be declined at this stage.
3. The third stage is an invitation to submit a Full Proposal. Applicants selected to move forward in the process will be contacted by a program officer and invited to submit a Full Proposal. We anticipate that between 8 to 15 applicants will be asked to submit Full Proposals each year.
4. The fourth stage is **Due Diligence**. This process usually includes interviews, a site visit, reference checks, follow-up questions, an in-depth financial review and a discussion of grant objectives. We expect that approximately half of the organizations that are invited to submit Full Proposals will move on to the Due Diligence stage.
5. The final stage is the **Selection of the Awardees**. Decisions will take place on a year-round basis following completion of Due Diligence. We anticipate making 6 to 12 Awards during each 12-month cycle.

Timeline:

1. Applications are accepted year round, with black-out periods during holidays, system maintenance and around Skoll Foundation events.
2. Applications are acknowledged electronically, usually within minutes of submission.
3. The application decision and, for successful applicants, an invitation to submit a Full Proposal occurs within four months of submission of an application.
4. Due Diligence takes several weeks to several months, depending on the schedule and project complexity.
5. Award decisions and funding are made year round.

6. All awards will be publicly celebrated during a ceremony at the Skoll World Forum in spring of each year, regardless of the grant approval date.

Eligibility Quiz

The Skoll Awards for Social Entrepreneurship application process is highly competitive. To assist you in assessing your organization's chances for success in this process before investing significant time in preparing an application, we ask that you first complete the following Eligibility Quiz, which allows you to determine if your organization has the characteristics of a successful applicant.

Prior to completing the quiz, we encourage you to review the following:

- [Social Entrepreneurship: The Case for Definition](#)
- [Eligibility Criteria](#)
- [How to Apply](#)

Please note that the answers you provide as you complete this quiz are confidential; no one can view them other than yourself. We encourage you to answer the questions as honestly as possible in order to help you decide whether to move forward with the Online Application.

You will be able to access the Online Application once you complete the eligibility quiz. You may save your work on the application and complete it later before submitting it to the Skoll Foundation.

[Go to Eligibility Quiz](#) >>>

Online Application and Instructions

Please make sure you have one of the following browsers, with cookies and JavaScript enabled.

- Microsoft Internet Explorer 5.5+
- Mozilla Firefox 1.5+
- Netscape Navigator 7.0+
- Apple Safari 1.2+



Creating an Account

All applicants must start with the Eligibility Quiz. At the end of the quiz, you will receive an invitation code that will allow you to access the Online Application. If you are a first-time user, please click on "[First-time user? Click here to create your password](#)" to register. If you are based in the United States and have [501\(c\)\(3\)](#) (nonprofit) status, you will be asked to enter the tax identification number of your organization at that time. Once you have registered, you can begin completing the application, save your work and return to work on it later. Each time you return to work on your application, you will need to log in again with your email address and password.

Application Content

A preview of the Online Application is provided below. Please note that there is a maximum limit of 2,500 words for the narrative section of the application, or an average of 250 words for your response to each question. The Skoll Foundation retains the option of declining any application that exceeds the word limit. If your application is declined due to excessive length, you cannot reapply for 24 months. We encourage you to prepare your application using the documents below and then copy and paste your answers into the online application. The application also requires information

on your organization's finance and operations. We have provided a template below for you to complete offline and upload as a part of the online application.

- [Preview the entire Online Application](#)
-  [Narrative questions \(MS Word file\)](#)
-  [Financial and operational information template \(MS Word file\)](#)

Skoll staff members will not have access to your application until you submit it. Once you have submitted it, you will no longer be able to edit your answers.

Application Acknowledgment

You will receive an email confirming your submission within 24 hours. If you do not receive one, please send an email to grants@skollfoundation.org and let us know when you submitted your application.

Technical Problems

If you have technical difficulties while accessing or submitting the application, please click on the "Need Support?" link found on the bottom of the each page.

[Go to the Online Application](#) >>>

Frequently Asked Questions

Below are some of the most frequently asked questions (FAQs) that have come up during previous application cycles for the Skoll Awards for Social Entrepreneurship, as well as questions that we anticipate may arise as a result of recent revisions made to the application process. Please read these FAQs to assist you in understanding and completing your application.

1. *What is the process for applying for a Skoll Award for Social Entrepreneurship?*
2. *What are my organization's chances of being selected to receive an Award if I submit an application?*
3. *Where can I learn more about social entrepreneurship and how the Skoll Foundation defines a social entrepreneur?*
4. *What is the application and award cycle, and when will the Awards be announced?*
5. *How will I know that my Online Application has been received?*
6. *What happens to my application after it is submitted?*
7. *How can I check on the status of my application?*
8. *How can I set up an appointment to discuss my application?*
9. *If my application is declined, can I get feedback about the reasons and how to make a future application stronger?*
10. *Is there a budget size requirement for organizations applying for a Skoll Award?*
11. *Can we include pro bono and in-kind contributions as part of our organization's budget?*
12. *The guidelines say you will not support new or early-stage business plans or ideas. Can you provide clarity about that requirement?*
13. *Can I apply for support of a new program or initiative if it builds on my organization's previous experience as a social entrepreneur in a related field?*
14. *If I applied previously for a Skoll Award for Social Entrepreneurship and was declined, can I reapply now?*
15. *If I wish to reapply, do I need to fill out a new application?*
16. *Can I submit more than one Online Application?*
17. *Is there a deadline for applications, or is there an advantage to applying at a particular time during the year?*

18. *Is it possible to submit the application in a language other than English?*
 19. *Does the Skoll Foundation have a formal nominating process for the Skoll Awards program?*
 20. *How can I learn what certain words and phrases mean in the application materials?*
 21. *Whom should I contact if I have questions?*
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1. What is the process for applying for a Skoll Award for Social Entrepreneurship?

The application process involves the following stages:

- a. The first stage is the Eligibility Quiz. This tool is intended to help applicants assess their eligibility and potential competitiveness for a Skoll Award. At the end of the quiz, applicants will be given an invitation code that allows them to access the application. *Applicants cannot move forward to the next phase until they have completed the Eligibility Quiz. However, you can view a preview of the application before taking the quiz.*
- b. The second stage is the Online Application. After taking the Eligibility Quiz, applicants who feel that their organization is eligible can proceed to completing an Online Application that requests key organizational details and brief answers to 10 questions. Skoll staff will review all applications. Those that are less competitive or do not fit our criteria will be declined at this stage.
- c. The third stage is an invitation to submit a Full Proposal. Applicants selected to move forward in the process will be contacted by a program officer and invited to submit a Full Proposal. We anticipate that between 8 to 15 applicants will be asked to submit Full Proposals each year.
- d. The fourth stage is Due Diligence. This process usually includes interviews, a site visit, reference checks, follow-up questions, an in-depth financial review and a discussion of grant objectives. We expect that approximately half of the organizations that are invited to submit Full Proposals will move on to the Due Diligence stage.
- e. The final stage is the Selection of the Awardees, which will take place on a year-round basis following completion of Due Diligence. We anticipate making 6 to 12 Awards during each 12-month cycle.

2. What are my organization's chances of being selected to receive an Award if I submit an application?

The Skoll Awards for Social Entrepreneurship are highly competitive. In the 2007 award cycle, 350 organizations submitted initial applications, of which approximately 25 were selected for detailed Due Diligence and 10 were ultimately chosen for Awards. We anticipate that future award cycles will be similarly competitive. You can review the characteristics of past organizations selected at <http://www.skollfoundation.org/grantees/a-e.asp>.

To help assess your organization's chances of being selected, please go to the online Eligibility Quiz. This tool provides guidance regarding the criteria used in selecting awardees. In order to compete successfully, an organization should meet all of the key criteria, by demonstrating leadership by a social entrepreneur, a well-developed theory regarding the potential for achieving equilibrium change in a critical issue area, an innovation that has a track record of at least three years and tangible results.

3. Where can I learn more about social entrepreneurship and how the Skoll Foundation defines a social entrepreneur?

For a more in-depth discussion of social entrepreneurship, equilibrium change and examples of successful social entrepreneurs, we encourage you to [visit the Skoll Foundation's Web site](#) and read "[Social Entrepreneurship: A Case for Definition.](#)"

4. What is the application and award cycle, and when will the Awards be announced?

Applications for Skoll Awards can be submitted throughout the year. Applications will be reviewed as they are submitted, and an invitation to proceed to a Full Proposal or a decline of interest will be provided to the applicant within four months of submission.

5. How will I know that my Online Application has been received?

Within 24 hours after you submit your application electronically, you will receive an acknowledgment via email that your application has been received

6. What happens to my application after it is submitted?

Your application will first be reviewed for completeness, eligibility and adherence to the application guidelines, including character limit. Please note that incomplete and ineligible applications will be declined without further review and that you may not apply again for 24 months.

Applications that meet eligibility criteria will be read and scored by at least two readers from the Skoll Foundation. Applications will then be ranked, relative to each other, by an internal staff committee that identifies social entrepreneurs and organizations most closely aligned with the foundation's selection criteria. This multiple-step process will identify organizations that will be invited to submit a Full Proposal.

7. How can I check on the status of my application?

Unfortunately, due to the volume of applications we receive, we are unable to respond to individual inquiries regarding the status of applications. Our goal is to notify you of the status of your application no later than four months after you submit an application.

8. How can I set up an appointment to discuss my application?

We regret that due to the volume of applications we receive, we cannot provide telephone consultations or meetings with individual applicants. We aim to provide clear guidance and advice through these FAQs, the guidelines and the Eligibility Quiz. If you have suggestions about how to improve these documents, please submit your ideas to grants@skollfoundation.org.

9. If my application is declined, can I get feedback about the reasons and how to make a future application stronger?

Due to the volume of applications we receive, we are not able to provide individual consultations regarding the reasons for declines. Information about the organizations selected to receive Awards will be available on the foundation's Web site after the Skoll World Forum. We encourage you to review this information to understand the characteristics of organizations that are selected for Awards.

Many fine organizations apply for Skoll Awards that are not selected. This is an unfortunate reality of a highly competitive, open awards process. Our selections reflect our best assessment of the match between applications and our selection criteria. They do not reflect an assessment of the value of your organization's work.

10. Is there a budget size requirement for organizations applying for a Skoll Award?

While the Skoll Awards for Social Entrepreneurship do not have an absolute budget threshold for eligibility, as a practical matter, organizations with annual revenues *below (U.S.) \$2.5 million that have activities primarily in developed countries* and *below (U.S.) \$1 million that have activities primarily in developing countries* tend to be at a disadvantage in the selection process.

The selection process prioritizes organizations based on their readiness to take their work to a significant scale and, hence, favors organizations above these budget thresholds. You may find it instructive to visit the Web sites of past Award recipients and note organizational budgets, numbers of partners, sites and beneficiaries, as well as the scope of activities.

Please note that organizations receiving a Skoll Award for Social Entrepreneurship in 2007 with activities primarily in the developed world had a median revenue of (U.S.) \$5 million, while those primarily in the developing world had a median revenue of (U.S.) \$2 million.

11. Can we include pro bono and in-kind contributions as part of our organization's budget?

Yes, as long as you have documentation, you can include pro bono and in-kind contributions. Your documentation should show that you have made a routine practice of assigning a cash value to contributions that you include in your annual budget and audited financial statements. If your organization is invited to make a Full Proposal, this documentation will be required for the prior three years.

12. The guidelines say you will not support new or early-stage business plans or ideas. Can you provide clarity about that requirement?

The organization's work should have at least a three-year track record that demonstrates proof of concept and measurable results. A small number of Skoll Award recipient organizations were younger than three years at the time of the Award, but in these cases the organization was founded or reorganized after the work was piloted or incubated under a different umbrella. It is the program's maturity and track record that we consider.

13. Can I apply for support of a new program or initiative if it builds on my organization's previous experience as a social entrepreneur in a related field?

Skoll Awards are intended to help organizations take initiatives to significant scale based on a track record of at least three years. In general, new programs and initiatives will not meet this criterion. Any final assessment of this requirement will depend on your ability to show how your organization has achieved proof of concept and measurable results applicable to the new work.

14. If I applied previously for a Skoll Award for Social Entrepreneurship and was declined, can I reapply now?

Applicants that are denied will not be eligible to apply again for a Skoll Award for a period of 24 months. Before preparing a new application, we ask you to take our Eligibility Quiz, as it is unlikely

your new application will be successful unless your organization has made significant advances since your original submission. Because there will be a 24-month waiting period for declined applications, we encourage organizations to wait to apply until they are in a position to make a strong case for meeting our selection criteria.

15. If I wish to reapply, do I need to fill out a new application?

If you wish to reapply, we request that you take the Eligibility Quiz and fill out a new application. We have made significant changes in the application process and have created a new Eligibility Quiz to aid you in determining if your application will be competitive. We anticipate it will help you determine if reapplying now is the best course of action for your organization. If you do apply and are declined, you cannot reapply for 24 months.

16. Can I submit more than one Online Application?

The Skoll Foundation will consider only one application from each organization during a 24-month period. Exceptions will be made for organizations applying as a fiscal sponsor for unrelated programs.

17. Is there a deadline for applications, or is there an advantage to applying at a particular time during the year?

Applications are considered on a rolling basis and Skoll Awards are granted throughout the year. Each year's new awardees will be publicly celebrated at the subsequent Skoll World Forum, held in March in Oxford, England. There is no advantage to applying at a particular time nor to rushing an application before your organization is ready to make the best case for its match to our criteria.

18. Is it possible to submit the application in a language other than English?

While we have staff with a variety of language skills, we require that applications and any subsequent materials be submitted in English. Our selection process involves multiple reviewers, and we are not able to support this process in languages other than English.

On a related matter, it should be noted that part of the Skoll Foundation's mission is to "connect" a community of social entrepreneurs through our annual Skoll World Forum and other events which are conducted in English, so that they can share experiences and learn from each other. We find that the community of Skoll Award recipients requires a common language to benefit from our connect initiatives and that social entrepreneurs who are not able to participate in this community do not get full value from the Award. If English is a barrier for the social entrepreneur who will attend these events, we encourage you to identify an appropriate source of translation assistance and include the associated costs in your plans and budget when you apply for the Award.

19. Does the Skoll Foundation have a formal nominating process for the Skoll Awards program?

No, the Skoll Foundation does not use a formal nominating process. Applicants must apply on their own behalf for a Skoll Award. The foundation does rely on an informal network of contacts to reach out to potential applicants, with the aim of extending our reach across issue areas and geographic location.

20. How can I learn what certain words and phrases mean in the application materials?

- [Core support](#)
- [Endowments](#)
- [Equilibrium change](#)
- [Expenditure responsibility](#)
- [Fiscal sponsor](#)
- [Issue area, critical challenges](#)
- [Large-scale impact, systemic change](#)
- [Mezzanine stage](#)
- [Proof of concept](#)
- [Program-related investment \(PRI\)](#)
- [Replicate, scale up](#)
- [Sectarian](#)
- [Seed money](#)
- [Social entrepreneur](#)
- [Sustainability](#)
- [Theory of change](#)
- [Track record](#)
- [U.S. public charity, 501\(c\)\(3\)](#)

21. Whom should I contact if I have questions?

We regret that, due to the volume of applications we receive, we are not able to respond to individual questions and inquiries. It is our goal to provide clear guidance and advice through our FAQs, guidelines and application materials to help organizations develop competitive proposals. If you have suggestions about how to improve these materials, please submit your ideas to grants@skollfoundation.org.

Glossary of Terms Used in Application Materials

Core support

A core support grant is usually given as unrestricted, flexible funding that can be used to cover any costs associated with an organization's ongoing charitable activities, provided the organization does not change its mission or alter any goals or objectives negotiated as part of the grant. Grants given as restricted funding must be used for a specific purpose or project.

Although the Skoll Foundation gives core support funding whenever legally possible, it works with each awardee to identify and commit to the achievement of specific core organizational goals and objectives. Detailed program budgets and financial reports are required for grants and loans governed by a fiscal sponsor, or expenditure responsibility agreements, including for-profit organizations and some foreign nonprofits. All awardees, even those receiving core support, are required to report on a regular basis on progress toward negotiated objectives.

Endowment

An endowment is a permanently reserved pool of funds intended to provide interest and investment income for continued support of a not-for-profit organization. Similarly, a board can designate a cash reserve to be held as an endowment or for an emergency fund. Skoll funding cannot be used to fund an endowment or a cash reserve.

Equilibrium change

Equilibrium describes a stable state, generally economic or social, controlled by and benefiting established entities. The social entrepreneur sees the limitations of an existing equilibrium and offers a more efficient solution with the potential to benefit those not served by the existing model.

Skoll is seeking social entrepreneurs who have created and are implementing new, large-scale approaches that can change the equilibrium by fundamentally transforming the lives of marginalized populations. The ultimate example of equilibrium change would be to eliminate a problem by solving its root cause or to create global impact by driving universal adoption of a new innovation by all others who address the same issue.

Expenditure responsibility

One way a private foundation can make a grant to an organization or individual not classified by the Internal Revenue Service (IRS) as a “public charity” is through an expenditure responsibility (ER) process. The grantee will be required by U.S. law to provide assurance that the funds will be used for the intended charitable purposes. ER grantees have special restrictions, cannot receive general operating or core support, and must file special reports, including detailed financial accounting for the grant funds received.

Fiscal sponsor

An organization or individual not classified by the IRS as a “public charity” will occasionally establish an affiliation with an existing nonprofit organization for the purpose of receiving grants. The nonprofit serves as the fiscal sponsor for the grant and assumes oversight responsibility for ensuring that the grant is carried out and the funds are used as intended.

Issue area, critical challenge

The Skoll Foundation funds social entrepreneurs working to solve problems in the following issue areas which have been selected because of their importance to addressing the critical challenges of our time. Many applicants work in more than one of these areas. If you apply, you will be asked to designate a primary, and if appropriate, a secondary area of focus.

Among the issue areas are:

- **Tolerance and human rights**, such as religious and racial tolerance, women’s rights, sexual exploitation and human trafficking, torture and wrongful imprisonment, immigration, and general tolerance and human rights issues
- **Health**, such as global pandemics, disease control, access to health care and system problems, pollution and toxins, population control and lifestyle
- **Environmental sustainability**, such as climate change, water scarcity, biodiversity and depletion of natural resources, global warming, oceans and waste (general and nuclear)
- **Peace and security**, such as conflict in the Middle East, nuclear proliferation, war, terrorism, arms and drug trafficking, government involvement, conflict resolution, and sustainable development and education in conflict zones
- **Institutional responsibility**, such as unethical labor practices, bribery and corruption, unethical government (e.g., executive pay), shareholder activism, business and the environment, irresponsible marketing, unethical sourcing and procurement, and global media integrity
- **Economic and social equity**, such as poverty and distribution of wealth, drugs, crime and violence, microfinance, homelessness and affordable housing, and education

Large-scale impact, systemic change

See also “equilibrium change.” Systemic social change delves behind immediate problems, involves new ways of applying resources to underlying causes and results in tangible and enduring benefits.

Systemic change occurs when an outcome or goal has been attained and the subsequent result either eliminates the cause of the problem or alters programs, policies, funding streams and/or services to reduce the impact of the problem on a long-term basis.

Mezzanine stage

Mezzanine-stage funding is a venture capital term used to describe later-stage financing for a company that is between a startup (seed funding) phase and an initial public offering. We deem a social entrepreneurial organization to be at the mezzanine level if it has fully pilot tested its idea, documented its outcomes and developed a written plan to scale up its innovations, but has not yet achieved large geographic scale or had its idea widely adopted.

Proof of concept

Proof of concept is evidence which demonstrates that a model or innovative approach is viable, feasible and capable of solving or diminishing a particular problem. It is drawn from actual experience using an innovation in a real-world environment for a sufficient amount of time to prove that the model:

- Is cost-effective and sustainable
- Provides the intended results
- Provides a measurable improvement over other existing models (or diminishes a problem that no one else is addressing)
- Contains a system to continually refine the model based on evidence from the field

The most competitive applicants can show that they have assessed the effectiveness of the proposed approach and have incorporated lessons learned in preparation for replication or scaling up.

Program-related investment (PRI)

A program-related investment (PRI) is a loan or other mission-related investment made by a foundation to another organization for a charitable project. Foundations often have guidelines, applications and strategies for PRIs that are similar to their grant program; however, PRIs are intended as loans (usually at a below-market interest rate) and must be paid back on an agreed-upon schedule to the foundation.

Replicate, scale up

To replicate or scale up a program is to significantly increase its impact in size, amount or extent. Scaling an impact can occur in many ways, including growing an organization's own capacity, developing independent affiliates or franchising, encouraging widespread adoption of the model by others, or through a combination of scaling approaches. The most competitive applicants have a clear, achievable replication plan that leads to exponential growth of their innovation, as opposed to slow, incremental growth over time.

For a better understanding of how other social entrepreneurs are working to achieve scale, we encourage you to visit www.socialedge.org where you will find multiple discussions and blogs about what it means to overcome the real-life barriers that social entrepreneurs face as they seek to achieve scale.

Sectarian

Sectarian groups are religious, political or ideological organizations whose services are limited to a particular sect or who require recipients to adhere to a specific dogma, political point of view or religious practice in order to receive services.

Seed money

Seed money is a grant or funding used to start a new project or organization. Seed grants may cover salaries and other operating expenses of a new project.

Social entrepreneur

Just as entrepreneurs change the face of business, social entrepreneurs act as the change agents for society, seizing opportunities others miss by improving systems, inventing new approaches and creating sustainable solutions to change society for the better. However, unlike business entrepreneurs who are motivated by profits, social entrepreneurs are motivated to improve society. Despite this difference, social entrepreneurs are just as innovative and change oriented as their business counterparts, searching for new and better ways to solve the problems that plague society.

Social entrepreneurs that meet Skoll's criteria for Skoll Awards can be characterized by their ability to:

- Recognize an unjust equilibrium that leads to the exclusion, marginalization or suffering of vulnerable members of our society
- Identify an opportunity within this unjust equilibrium to change the existing system and, through inspiration, creativity, direct action, courage and fortitude, implement a better solution
- Demonstrate potential to scale up their innovation until they have replaced the old system with a new, stable equilibrium that alleviates the suffering of the targeted group and creates a better future

Sustainability

Sustainability for a social entrepreneurial organization is the ability to achieve and sustain its impact for as long as there is a need for its intervention. Factors that contribute to long-term sustainability include:

- Leveraging a broad array of resources over time and applying them in the most effective way
- Building the governance and staffing capacity necessary to create and maintain a strong management structure, high-quality partnerships, skill in communicating its model and the ability to evaluate and measure change
- Achieving large-scale impact through elimination of the root cause of the problem and/or widespread acceptance of an innovation and replication by others

Theory of change

A theory of change is a strategy or blueprint for achieving large-scale, long-term goals. It identifies the preconditions, pathways and interventions necessary for an initiative's success. The term can refer to a specific planning tool as well as to a more general overview of how an organization intervenes in a system to initiate and sustain positive change. For more information, visit the Theory of Change site sponsored by ActKnowledge and the Aspen Institute Roundtable on Community Change at <http://www.theoryofchange.org/>.

Track record

A track record is a documented history of actual, recognized accomplishments under "real-world" conditions. The most competitive Skoll applicants can demonstrate:

- No less than three years of experience in implementing the proposed model or approach
- Documented results showing the actual impact resulting from their intervention
- Evidence that others in the field are aware of and acknowledge the validity of the proposed innovation

U.S. public charity, 501(c)(3)

The section of the United States tax code that defines nonprofit, charitable, tax-exempt organizations is 501(c)(3). After filing the required paperwork to document its nonprofit mission, a 501(c)(3) designated charity will receive a confirmation letter and tax identification number from

the IRS. A foreign entity can apply for and receive a U.S. 501(c)(3) designation provided it complies with U.S. laws and meets certain requirements and restrictions.