

# 8 Facets of a Seamless Grantmaking Process





## Introduction

**90% of Americans** believe companies must act to help social and environmental issues and 75% will do research to see if a company is being honest when it takes a stand on issues.

With that in mind, it's important to recognize the efforts your company takes (or doesn't take) to try to make a difference. Though the process can at times be tedious and long, grantmaking is often made more difficult than it is. When was the last time you evaluated your grantmaking process? With more and more companies using CSR to engage and attract candidates and boost employee engagement, chances are you've been thinking about making your process a little bit easier for everyone in the grantmaking spectrum.

When it comes to grants management, an ideal situation is to both benefit a business's bottom line and positively impact employees and the community. To achieve this, though, it's time for foundations to think more holistically in terms of resources at their disposal and what they can provide to nonprofits.

It's not enough to write a check and a press release, nonprofits need more to make these partnerships work and so do the foundations. It takes time and resources to approve these grants so it only makes sense to know your money is being put to good use and your getting some type of return on your investment.

In any large project, there's a period of feeling completely overwhelmed. It doesn't matter how many times you've performed the tasks, how many people are working alongside or even how much motivation you begin with, simply starting can be an obstacle. Beginning the grantmaking process is one of those very instances, and once you get going, the complications don't dissipate. There will always be challenges to overcome, but with these insights garnered from years of working with foundations of all sizes, an efficient grantmaking process is completely possible and will be in your future.

If you have no clue where to even start in furthering, evaluating or streamlining your grantmaking process, then this is the guide for you.



## Table of Contents

Facet 1:  
**Focus on Collaboration** ..... 4

Facet 2:  
**Place Importance on Measurement & Tracking** ..... 5

Facet 3:  
**Make It Public!** ..... 6

Facet 4:  
**Embrace Transparency** ..... 7

Facet 5:  
**Engage in Every Step of the Way** ..... 8

Facet 6:  
**Don't Let the Application be the End** ..... 9

Facet 7:  
**Set Realistic Goals** ..... 10

Facet 8:  
**Consider Your Disbursement Options** ..... 11



Facet 1:  
**Focus on Collaboration**

Collaboration is the key to success when it comes to ensuring both parties are getting what they need out of a partnership. Giving nonprofits a resource rather than just a check is **exactly what they're looking for** in a partner.

It not only benefits the nonprofits but helps the foundations as well. How should you be collaborating with your grantees? The transfer of knowledge is one of the best and most efficient ways to collaborate.

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## Did you know?

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Only **36% of nonprofit leaders** believe their grantors share the knowledge needed to improve the organization's operations.

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Sending a strategic team to the nonprofit you have recently partnered with gives the chance to guide them and help improve the organization's

operations. By doing this, you let them know you are not just a source of funds but a resource for strategy and expertise.

# TIP

Arrive with a game plan as well as an open-mind so you have the ability to conform or pivot and ultimately collaborate on the best plan of action to put funds to good use. If you can't physically send a team, reach out to let the nonprofit know the lines of communication are open and you're ready to start working together. Try not to view it as an 'us' and 'them' circumstance but rather as a chance to share knowledge and ideas to make incredible happen.



## Facet 2: Place Importance on Measurement & Tracking

How can you figure out if a specific partnership and collaboration is actually worth the time and money? Measuring and tracking the effectiveness of the program is the best place to start but, unfortunately, there is no exact formula to do so. The terms in which you define effectiveness will be tailored specifically to your foundation or company.

For example, a large software company might give funds to a nonprofit dedicated to growing interest in STEM subjects for children K-12. By doing so, it is helping these children expand their horizons as well as growing the community in terms of knowledge.

In return, the software company may hope for a larger talent pool, as **79% of people prefer** to work for a socially responsible company, or hope for the youths they're influencing to enter college interested in STEM fields, join the workforce and possibly even their teams one day.



# TIP

To ensure this type of tracking and measurement starts from the beginning, grant management pros should be providing this strategy to the nonprofits as soon as the collaborating begins. With a strategy, the nonprofits can then do the tracking internally and report back with the most valuable data in the long-term.



Facet 3:  
Make it Public!

After collaborating and tracking progress and impact, finding the perfect balance comes full circle by making it public. Letting others know about the impact and good your foundation has done in conjunction with these nonprofits

helps both parties. How? **90% of Americans** say they're more likely to trust and stay loyal to companies that actively try to make a difference.

# TIP

Publicizing your partnership also helps the nonprofit gain exposure and hopefully boost donations. Going public doesn't mean just putting out a press release either. Let the world know what your money actually did by getting on social media and sharing highlights from the program. The good you're giving back to the world is never something to just keep to yourself. Better yet, the time you take telling your grant's story can help your employees better connect to the grant program you've created, positively affecting morale and motivation.

## Did you know?

CSR programs have the potential to **increase market value** by up to 6%.



## Facet 4: Embrace Transparency

Your foundation was created to make a difference and in order to accomplish that, it's important to understand the people on the other side of your application. Grantseekers are often part of scrappy teams with internally developed ideas of what is a suitable use of time and resources and while you might be offering precious pieces of both, they are working to find balance. The more communication your foundation offers, the more opportunity you have to discuss what matters to your

organization, connect on a higher level and alleviate any of their hesitations.



# TIP

Be clear on what it will take to move through the grant application process, eliminating as many surprises as possible. Be direct with qualifications and the procedure your team will be working through in order to award the grant, including deadlines and times to expect results. Develop an internal timeline and application process plan that can be used to lead your team and grantseekers through each step of the way. If you expect to have 3 rounds with various information needed, explain so. Those directions and timeline will guide the deadlines you have for applicants, but will also hold your team accountable.



## Facet 5: Engage in Every Step of the Way

Communication is and always will be the number one necessity (and obstacle) of relationships. The challenge for foundations come from the numerous places an interested grantseeker might be within the process. For instance, some applicants might be quick to answer an application while others might begin

the process, pause and forget to return. If you aren't using a grant management software, it might be difficult to track who the latter are, but anyone who makes contact with your foundation should receive correspondence. This is especially true for those who complete the application.

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“I know of **one application** that was approved, a check was mailed (to the wrong address) and eventually canceled because the grantmaker (without bothering to inquire) assumed that the money wasn't wanted.”

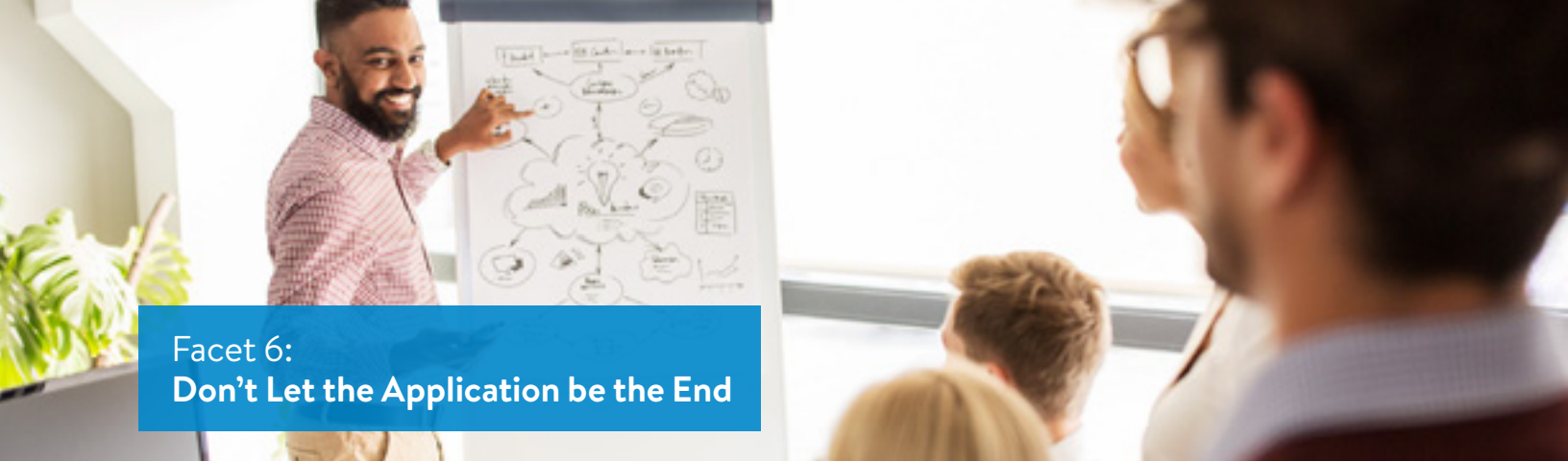
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– Ken Goldstein (@NonprofitKenG)

## TIP

Simply selecting a recipient for a grant isn't enough and sending a check without any follow up doesn't really leave any warm and fuzzies. This is still a very personal transaction and grantseekers, whether they receive the grant or not, welcome feedback. As Goldstein points out, nonprofits can't improve the submission process without the guidance your foundation offers.





Facet 6:  
**Don't Let the Application be the End**

So you notified nonprofits of your foundation's amazing opportunity, received applications, decided on which ones will best fit the bill and even began the first steps of providing the funds. While those funds will undoubtedly offer many opportunities to the grantseekers, they don't guarantee success. In fact, many nonprofits are looking for resources aside from financial support, but avoid discussing those needs with their affiliated foundations. There are many reasons for that, but the best solution for all of them is to consider a closer relationship with your nonprofit partners.



# TIP

Once you discuss the awarded funds and how those funds should be used, further the discussion by asking what processes their team might still struggle with. You might be surprised to learn that their team could use some of the things your company provides, such as leadership training and event management. When it comes to awarding a grant, your foundation should want the most efficient use of the funds. A little extra communication might dig up some cost effective ways our company can see to that happening.



## Facet 7: Set Realistic Goals

Guidelines are set with the best intentions, however, they can create many problems among grantors and grantees. While no one wants to fund an insufficient organization, it needs to be understood that many nonprofits spend a lot of money on infrastructure. From keeping the nonprofit moving, to keeping the lights on in the office, there's a lot that goes into managing a nonprofit that can execute.

If you aren't willing to cover the real cost of the program, your grant could have a negative impact on the organization's budget. If you set a certain percentage of a grant that is able to be spent on administrative costs, you may scare away nonprofits with higher overhead costs, even though they have the best chance of succeeding.

### TIP

Be more realistic in setting the goals of the grant. Know

that it's expensive to keep a nonprofit running and realize that it's probably not practical that only 10% of the budget will be spent on fundraising and keeping the lights on.

## BONUS

### 3 ways to shape your culture for better grantmaking

#### 1. Get grantee and community feedback

Hearing from staff, grantees and other stakeholders allows foundations to find out if they are all on the same page on how they view their culture.

#### 2. Look into new leadership

A new leader has the potential to help drive new culture change. In fact 60% of employees said managers are most responsible for implementing employee engagement strategies.

#### 3. Celebrate anniversaries

While this may seem like a date on the calendar to some, it's a great way to build and showcase culture to many others. It's important to celebrate victories and successes and to take stock on what your organization has achieved.



## Facet 8: Consider Your Disbursement Options

Many grantmakers have been relying on internal processes for grant payouts for years, but the grants field has changed dramatically since the turn of the century and it may be time to reevaluate your processes to better serve your security needs and the needs of your grantees. Consider adding services to send electronic ACH payments, create positive pay

banking files to help reduce check fraud, or the means to reduce your overall cycle time. Grantees appreciate the generosity of time and money that your program provides, but providing up-to-date services that create greater reliability and security around the disbursement of funds can turn appreciation into love.

# TIP

When considering your options, look at your disbursements as if you were starting your program from scratch today. What improvements would be a given because of the plethora of options available to the modern grantmaker? What is the best way for you as a grantmaker to be spending your time, on growing your program or directly managing your grant disbursements? Some of your conclusions may surprise you.

## Conclusion

Before you can truly make your grantmaking process seamless, you have to evaluate your current process. Once that's done, follow these eight tips and you'll be on your way to becoming a well-oiled grantmaking machine. The reasoning behind investing in a grantmaking process is there, but many companies struggle with not only the implementation of a grantmaking program, but with running it efficiently. That's why CyberGrants is here to help. **Speak with an expert today!**

