Smart Grants Management in the New Era of Giving
The standards of grantmaking are changing.

Foundations and their grant managers are under an ever-increasing and widening amount of scrutiny in their actions, and more stakeholders generating higher volumes of data that must be understood, analyzed, and appropriately addressed.

As a result, you and your team will have to conquer new challenges at faster speeds to meet the reality of 2019. The grant lifecycle is complex; its data flow starts long before any award. With information looking back to past successes, touching new community needs, and reaching toward real-time analysis, foundations must find a way to become data-driven organizations to respond to these needs.

However with the right tools, foundations and grant managers can harness these changes and not only improve their internal processes but also generate more significant returns for their missions.
The most recent data available suggest there are more than 1,645,000 501(c) organizations in the United States.

According to Giving USA, 2017 was the first time that U.S. giving exceeded $400 billion in a single year, reaching more than $410 billion. Charitable giving by American individuals, bequests, foundations, and corporations all rose during the year.
Estimates for giving in 2018 predict the growth to continue and expand by an additional 3.4% in 2019 and 4.1% in 2020. Giving by foundations alone over these two years is expected to rise by 7.0% and 6.1%, respectively.

Spending will propel program and institutional growth, creating a willing framework for new models, projects, and requests. As the pool of non-profits grows, so too is the pool of applicants for each potential grant or award expected to increase.

This boom will require greater staff time and support from every foundation. Scaling successfully either means growing your staff or increasing your technology stack to address many of the manual, time-consuming tasks that increase with each new applicant.

With an unemployment rate of 3.9% at the end of 2018, many organizations will struggle to find qualified staff who can correctly understand and address the information required to manage a foundation’s operations. So, for most foundations, software will play a growing role in their ability to move forward successfully and efficiently.
Process Challenges are on the Rise

Today’s foundations are under increasing pressure, including from internal groups and partners.

As programs grow and institutional efforts reach further into communities, new demands emerge for initiatives from development and selection process to rewards amounts and evaluation of final results. The rise of data and digital media has made it easier to track and report on these metrics. However that comes with greater scrutiny and reporting on foundations themselves.

Foundations report growing oversight and data availability in a few significant areas:

- People within an organization and the fit of roles and responsibilities to foundational goals
- Assurance that opportunities are made available to diverse groups
- Measurement of success rates and long-term impact of initiatives, along with alignment to overall mission
- Metrics to evaluate these three factors and improve from them
Each plays a significant role in the daily activities and future planning for grant managers and foundation leaders. Each adds layers of complexity and hours of review to plates that are already overfull at most foundations. Shifting time to create reports and analyze the results of past actions can make it more difficult to have enough time to test and improve new strategies.

Each community wants to know that your foundation is doing its best to improve that outreach. They put pressure on your Board and leadership, which drips down onto all team members. Regardless if your team has a lack of capacity for new projects or additional reviews, they’re being demanded.

The Internet, governmental reporting, public documents, and reviews from professionals as well as individuals are identifying non-profits who stray from their mission. The missteps they take can now impact your organization too.

The calls for you to be more accountable and transparent in your awards process can highlight these issues for your team as well as those who are reviewing you from the outside. The same due diligence you’ve been conducting to choose the best recipients can now more easily be applied to audits of your work.

Foundations are embracing the call to be more accountable and are implementing change management policies. To limit the disruption to activities, change management can rely on best practices and innovative technologies designed to make accountability easier and address the growing pressure that is being felt from inside and out.
Outside Pressure Driving Changes in Giving Accountability

Increased accountability often leads to changes in processes. Audits and reviews uncover flaws or issues and foundations must adapt. If they do not, foundations risk losing the confidence of donors, board members, and even program recipients.

The “we’ve done it this way forever” mentality doesn’t cut it anymore. Modern challenges do have proper responses and understanding what you’re facing makes it easier to adapt in a way that leads to long-term growth.

Governance and transparency are required for responses to challenge and pressure to feel genuine. Boards, regulators, and donors experience visibility in their daily lives. This can include tracking government accountability for roads and spending, tracing the route of a fish from being caught to landing on their plate, or getting the precise date on when their e-commerce package will arrive.

They’re holding everyone in their daily lives accountable. Foundations are just as much under the microscope. If you’re feeling under-staffed at the same time, software and systems can be a proper response to the pressure.
## ISSUES FACING THE MODERN FOUNDATION

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<thead>
<tr>
<th>Challenge</th>
<th>Response Best Practices</th>
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<tr>
<td><strong>Fairness</strong></td>
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<td>Higher expectations from Boards to prove impact, diversity in funding, and fair giving practices.</td>
<td>Use change management to adopt better governance policies. Look for cultural changes to become more open to tracking and reporting, highlighting the entire process and allowing outside parties to judge fairness as well as your Board.</td>
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<tr>
<td><strong>Impact</strong></td>
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<td>Higher expectations from donors to demonstrate impact and smart grant management with a focus on ROI for all efforts and spending.</td>
<td>Adoption of technology to track information, applicants, awards, and results. Data systems can establish a current baseline of return and impact to compare future efforts against. ROI is first and foremost a data issue.</td>
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<td><strong>Compliance</strong></td>
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<td>There are increased reporting requirements and scrutiny from the government.</td>
<td>Government requirements are fixed. So, the starting point is culture. Encourage teams to report appropriately and be transparent even when regulators aren’t looking. Establish a policy that will protect you from auditors and then extend these reporting requirements across all teams and partnerships.</td>
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<td><strong>Cybersecurity</strong></td>
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<td>There is a growing threat to foundation and institution data as award values and applicant pools grow. Vulnerabilities can make you a target because of all the financial information collected in your processes.</td>
<td>Adoption of security and privacy policies that address the strictest possible scrutiny. For many, these will be set by GDPR. Ensuring the safety of data builds trust with constituents and helps ensure you’re getting the best applicants to your awards.</td>
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A Spotlight on ROI

The more you know and share, the better you can be throughout your awards process. Collecting data and making it available through open systems — or even just for greater internal analysis — can help foundations ensure they’re using the best metrics to track and evaluate their processes.

The focus on the return, relative to the improvement of a community or meeting a specific mission, may also lead to improvements in your program requirements.

As success grows, you can attract a broader and stronger pool of applicants. The same data and review process are also useful to ensure the review and award process are free of bias. An ROI understanding supports your team’s knowledge, leading to the ability to ask better questions or seek out better answers.

Technology can optimize foundational giving to make the most impact on a given issue or in a given community. The right systems do this by removing menial tasks that limit the time a foundation has to focus on outcomes and their ability to collect and explain data so you can be sure you’re measuring and evaluating programs correctly.
IT’s Role in Foundation Growth

More stakeholders from the public, partners, and internal leadership demand greater transparency from foundations. IT teams and the software they provide are being used to meet these concerns at a growing number of organizations.

Software as a solution is a growing trend, with 60% of respondents in TAG’s 2018 State of Philanthropy Tech report viewing IT as a strategic partner or leader in the organization. Community foundations see a significant degree of support from leaders (80%) even though only 18% think leadership “totally gets it” in terms of technology. So, a foundation is more likely to be open to software-based solutions and put resources behind their ability to solve issues.

Your partners in the non-profit space are also willing to use and rely on technology to address a variety of needs. A growing number use customer/constituent relationship management, or CRM, tools to interact with partners and the public. Existing grant management tools are used by 22% to share data and reports.

Adopting a grant management tool for accepting applications, managing judging, connecting with grantees on awards and progress, and reporting on all data is becoming a must.

Technology is becoming a standard for general usage, but it still can allow foundations to stand out.
Surprisingly, roughly 45% of organizations still do not use technology whatsoever in their grantmaking decisions. Less than 10% say they “often” or “always” use these systems.
Software designed to collect applications, provide and apply rankings, and store data would make it easier for a foundation to “show their work.” For example, you could provide the analysis that you performed and have outside auditors or Board-appointed groups review it for any bias or concern. Even if only used internally, a systematic way to collect, compare, and analyze this information could significantly increase individual efficiencies around any manual process it replaces.

Foundation staff could spend more of their time reviewing decisions relative to ROI instead of doing data entry.

Today, many existing platforms provide a grant management tool that covers multiple needs across the grant lifecycle. Applications, administration, reporting, process, and impact are all covered within a single instrument to adapt to organizational needs. Today’s technology providers also work to simplify the implementation and training process, getting staff up-to-date as quickly as possible.

Working with a technology provider has proven valuable for many foundations. Not only is their grant process simplified, but you can shift the security risk and burden over to the partner. Their staffs are experts in cybersecurity, allowing you to meet growing regulations and outside pressure.

The right IT approach may be a way for your foundation to simplify its actions and reduce costs, while also eliminating barriers in every stage of the grant lifecycle.
Non-profits of all shapes and sizes are seeing an increased need to invest in technology platforms that advance their missions. Modern systems can support efforts from email management to reporting for board meetings.

For foundations, the use of technology is gaining adoption and delivering returns by taking a multi-faceted approach to address the many layers of accountability you’re facing from your board, regulators, and the public:

- Better use of funds
- Better reporting on initiatives
- Better results for projects
- Better presence in the community

Technology is a growing requirement for project and grant award management. However, the right choice can be a catalyst for foundations to meet accountability demands, grow operations, and increase impact. Align your mission with the technological requirements and decisions you have to ease a wide range of processes and ensure transparency is always an option.
When a platform makes it easier for you to manage applications, submissions, judging, nomination and more, you can focus your efforts on finding the best recipients and projects to invest in, generate the most significant impact, and carry the most weight with your community, board, and the public at large.

Make mission-fulfillment just a click away.

To learn more about the possibilities of a flexible grants management platform, visit wizehive.com.