



Australian Institute of Grants Management

GRANTMAKER **OF ^{THE} YEAR** **2014 REPORT**

Setting the Grantmaking Reform Agenda



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2014 AWARD REPORT

2014 marks the third year of the AIGM Grantmaker of the Year Award. The quality of this year's entries was the best in the award's history.

Entrants have taken the time to share with us their thoughts on a number of issues facing grantmakers and grantmaking. And the purpose of this report is to share these thoughts and ideas.

Unlike many other awards, the AIGM Grantmaker of the Year Award rewards future potential as much as past achievements, asking grantmakers not just what they have done, but what they think should be done to forward the practice and profession of grantmaking.

These thoughts and ideas are outlined in this report. We want to thank our award entrants for sharing their insights and helping frame our thinking.

**Award entrants' ideas at a glance:
Five ideas for reforming grantmaking in Australia**

1. Commonality

- Encourage the development and promotion of a common grants language and classification.
- Encourage the development and use of standard funding agreements if and where appropriate.
- Look at how the increasing use of online grants management systems might create a "pool" of common data that could be used to improve grantmaking.

2. Sharing

- Create a "safe place" where grantmakers share their successes and failures.
- Encourage grantmakers to tell their stories and share experiences to further learning in the sector.
- Actively seek out publicity for projects your grants have funded, as well as for your own grants and funding programs.

3. Applications, assessments and evaluations

- Make the application process more worthwhile and more beneficial to all applicants.
- Improve feedback to grantseekers throughout the application and assessment process.
- Demystify the assessment process and educate grantseekers on the process.
- Encourage funders to share their expertise so they can better evaluate their grantmaking.

4. Funding priorities

- Consider greater funding towards:
 - "Early stage" projects.
 - Capacity building.
 - Smaller or emerging organisations.

5. Risk

- Be prepared to take more risks in grantmaking.
- Take a "risk-considered approach" to grantmaking.



ABOUT THE AWARD

The Australian Institute of Grants Management's Grantmaker of the Year Award is designed to unearth the people leading the field of grantmaking in Australia, and draw out (and share) their vision for where we should go next.

It is our belief that none of us is as smart as all of us. The AIGM uses the award process to help guide us in our work to drive professionalisation of the sector – we hope others will find inspiration in it too.

More information about the award can be found here: www.grantsmanagement.com.au/award.



2014 Grantmaker of the Year Carley Commens (right) is pictured with AIGM Executive Director Kate Caldecott.

2014 Winner

Congratulations to the 2014 AIGM Grantmaker of the Year, Carley Commens.

Carley was announced as winner of the 2014 award at the Grantmaking in Australia Conference (www.grantsmanagement.com.au/conference2014) in Melbourne in February.

Carley currently works at Brisbane City Council in its Creative Communities team. She is a graduate of the University of Southern Queensland, where she completed a Bachelor of Theatre Arts.

She served as Coordinator for Queensland Arts Council's *Creative incommunities* initiative and went on to manage the Regional Arts Fund for Queensland.

She has previously managed a number of arts grants funds and worked in the small to medium arts sector for several years.

Carley coordinated JUMP, the Australia Council for the Arts national mentoring program for young and emerging artists, and worked with Youth Arts Queensland. She is also an active blogger and social media user.

The Grantmaker of the Year Award does not seek to reward past works; rather, it calls for entrants to draw on their experience in grantmaking to offer ideas for taking the field of grantmaking forward.

To that end, Carley's award winning entry discussed a number of great ideas, as well as some interesting perspectives on some of the challenges facing grantmaking – particularly in the arts sphere.

She kindly detailed ideas contained in her award entry in an article first published in AIGM's *Grants Management Quarterly* in March. This piece is reproduced on page 4 of this report.

Carley was presented with her award, including a \$5000 cash prize and membership of the AIGM, by AIGM executive director Kate Caldecott and 2013 award winner Lara Hook.

Highly Commended

The quality of entries for the 2014 AIGM Grantmaker of the Year Award was the best in the award's history, with a number of entrants receiving highly commended honours:

- Lesley Lightfoot and Cynthia Scherer from the Give Where You Live Community Foundation in Geelong, Victoria.
- Adama Kamara from Auburn City Council in New South Wales.
- Jonathan Srikanthan from the Qantas Foundation.
- Susy Jones and Marguerite Jones-Roberts (and Jen McKinley) from Accuteque and the Department of Human Services in Victoria.

IDEAS FOR CHANGE CARLEY COMMENS

As part of her winning application for the 2014 Grantmaker of the Year Award, Carley Commens suggested ways arts funders could make the grant application process more beneficial for applicants in order to avoid “deadweight loss”.

The traditional grant application is aimed at satisfying the needs of the funder. Imagine what could happen if the process of applying for grants also benefited the applicant beyond the potential to receive funding.

Applicants spend a considerable amount of time on collating data and project planning that will bear fruit only if their grant application is successful.

And if a grant program has a success rate of one in 10 applications, then nine in 10 applicants spend a significant amount of time on creative thinking and administrative work which is never realised.

For the funder, this means spending a considerable amount of time and money reading, assessing and administering unfunded applications.

Cultural policy and research analyst Christopher Madden quantifies unfunded application writing and management expenses in arts grantmaking and refers to the phenomenon as “deadweight loss”.

(See <http://artspolicies.org/2012/02/11/cultural-policies-australasia>.)

By increasing the usefulness of the process of applying for grants, funders and applicants could reduce this “deadweight loss”.

The key would be approaching application and assessment design from the perspectives of both the funding body and the applicant, balancing the data the funder needs to assess each application with a process that is useful and timely for the applicant.

In a traditional arts grant process, the applicant is not involved in the assessment or approval process beyond completing and submitting their application. Their relationship and contact with the funder becomes a series of correspondence – for instance, an email confirming the receipt of their application, a letter acknowledging the competitiveness of the round, and notification of the success (or not) of their application.

For the applicant, the focus of the process is securing grant funding – in other words, responding to the requirements of the funder. The applicant is simply a recipient of information and has little power or importance after the initial creation and submission of their application.

But one way to give applicants a reciprocal benefit in the process is to empower them to participate in the assessment of grant applications.

The peer panel process of assessment is common in arts grants, but it's ‘old hat’. Imagine if, instead, applicants were given the opportunity to peer-review applications as part of the assessment process for each round of grants.

The application form could be streamlined; it might look more like an expression of interest. At the close of the application period, a peer review and ranking process could be undertaken by all applicants.

For example, each applicant could be required to read the short project description (typically a description in 25 words or less of what requires funding) anonymously and to rate each application on a scale of one to five, five being ‘highly recommended’ for funding.

In this way, applicants would be actively engaged in the assessment process.

The project description would be the only part of the application seen by all applicants. This would protect privacy and confidentiality and encourage peer scrutiny of the core objective of a proposed project by applicants with similar aspirations and from the same sector.

The funder would then be able to calculate an average peer rating (one to five) for each application. They might shortlist only those applications that achieved a certain average peer rating (eg three), thus reducing the amount of time spent on applications that failed to achieve a certain average rating.

Only applications that received an average peer review rating of three or above would be asked to provide further details of their funding proposal.

This would reduce the initial outlay of time and effort on the applicant's part and help to reduce the deadweight loss.

Unsuccessful applicants would be informed of their average peer rating as part of a feedback process.

This involvement in the assessment process would provide a peer group with an understanding of what they were competing against in the contest for funds, and empower them in the assessment of their funding round.

COMMONALITY

Grantmaker of the Year Award finalists called for the establishment of system environments and increased standardisation across the sector.

Encourage the development and promotion of a common grants language or glossary

Finalists spoke about grantmaking sectors speaking “different dialects” of the same language:

“Presently, it’s as though different dialects are used across grantmaking sectors, and even within each sector, when it comes to the language of grantmaking,” one said.

“Like Italy adopted the Tuscan dialect as its national language to transcend the national dialect divide, grantmaking needs to do the same through a process of negotiating shared meaning.

“Establishing a common language via a national grant glossary can create opportunities for the standardisation of grantmaking practice in a way that can really raise the bar on grantmaking education and move towards professionalisation of the grantmaking community-of-practice.

“A further benefit of sharing a grant glossary is the ability to establish system environments where information can be shared. This in turn could support the sharing of grant information and lessons from which the sector can benefit.”

This type of work is linked to the idea of a common or standard grants classification – something which AIGM continues to work on developing.

Encourage the development and use of standard funding agreements where appropriate

Finalists also spoke of the benefits of standard funding agreements. One familiar with such a process said:

“One funding agreement model for use across all government, philanthropic and commercial sectors involved in grantmaking is the best lever for standardising grantmaking across Australia.

“How Australia might approach moving towards a standard agreement model across sectors might include identifying the various funding agreement models in use, obtaining a snapshot of funding relationships that occur in each sector, and the development of a project governance approach that has upstream, downstream and across-stream collaboration and authorisation capabilities.

“Early benefits [we have seen] show that, for both grantees and government, there is a reduction in legal and administration costs, increased productivity with time to focus on core activities, increased understanding of grantmaking, and streamlining of the grantmaking process. “

Examine how the increasing use of online grants management systems might create a common pool of data that could be used to improve grantmaking

Finalists expressed a desire to further investigate ways in which data collected could be used beneficially.

While the use of grantseeker and applicant data can of course pose challenges – primarily linked to privacy provisions, for example – there are ways information from online grant systems might be used in a positive way.

“[The] transitioning by many foundations to online management systems is a fantastic opportunity for greater sharing of data about both received applications and project outcomes,” one finalist said.

“Many foundations code their applications on arrival. Everyone does it slightly differently and this data is mostly used by foundations internally.

“A system of common codes for acquittal reports similar to the codes used for the grant applications if developed and adopted by a number of foundations could potentially provide a rich source of data.

“Codes could be thematic including: a subject area the project addressed, strategies that were used, who benefited from the project and geographical location.

“(Maybe) it would be useful to code whether the project was successful in achieving own objectives, whether the strategies used were effective, the organisation was efficient in delivering the project.

“Foundations who would agree to share this information could aggregate their data on both received applications and funded projects.”

The AIGM continues to work with a variety of grantmakers towards standardising areas of grantmaking practice across Australia.

One program sees the AIGM working with a cluster of seven local government grantmakers in western Sydney.

The pilot program, running through the online grants management system SmartyGrants, sees local government grantmakers endeavouring to streamline funding programs across the region by ensuring common questions are asked and learnings shared.



SHARING

The section on commonality (page 5) touched on areas of sharing amongst grantmakers – particularly the sharing of information aimed at improving their grantmaking effectiveness.

But a number of our award finalists also highlighted other forms of sharing they felt were important.

Create a “safe place” where grantmakers share their successes and failures

One long-time issue in grantmaking is the silence that surrounds the difficulties, missteps and failures that comes as part of the job. Often these are glossed over or hidden. This is something that must change.

“Grantmakers in Australian communities share a long history of storytelling,” one finalist said.

“One big idea on how the learnings from grantmaking can be better shared in Australia is to establish an ‘Australian Knowledge Sharing Website’.

“The website could be closed [to non-members] or password-protected and would contain a blog regularly updated by other funders where they share their experiences and learnings, as well as a Q&A section which might include a way to ask questions to trusted peers as well as a wide range of organisations and staff.

“A great contribution to this type of website would be to establish a ‘Bloopers Blog’ – an inviting, occasionally humorous but genuine culture where we share highlights of grantmaking ‘misdemeanour’, our mistakes and the learnings derived from when grantmaking did not go well.

“Creating a safe place where we risk sharing and learning from our and each other’s mistakes could be a genuine developmental ‘coming of age’ experience for grantmaking in Australia.”

Encourage grantmakers to tell their stories and share experiences to further learning in the sector

Forums such as the blogs and websites listed above are among the ways grantmakers could touch base, share ideas and to stay in touch with each other.

A number of Grantmaker of the Year Award finalists also highlighted other ways for grantmakers to share:

- To meet with each other;
- To form or join networks;
- To share experiences through grants reports;
- To actively work together where possible;

- To make the most of networking or peer learning opportunities – conferences, for example;
- To join the AIGM.

Again, it is the AIGM’s belief that **none of us is as smart as all of us**. The opportunities for improvement and development through shared learning and experiences are significant.

Actively seek out publicity for projects your grants have funded, as well as for your own grants and funding programs.

While a growing number of grantmakers have become adept at sharing and spreading news about programs they have funded, and about grants programs themselves, there are some who still hide their light under a bushel.

This needs to change.

“I think that grantmakers and grantseekers miss out on potential publicity from a successful project,” one finalist wrote.

“Good investment by grantmakers, into projects that can create change, or demonstrate a successful outcome, should be jointly marketed as successful.

“This would be an extension of the support that I think that grantmakers should provide in post funding phases of a project.

“If the grantmaking organisation had marketing, communications and/or public relations expertise, they could use the opportunity to ‘market’ the successful project, and demonstrate the grantmaking organisation’s ability to invest wisely in projects.

“This might generate potential revenue in the form of fundraising donations for the grantmaking organisation, or generate interest from other organisations interested in the successful project.

“By providing business support to the grantseeker throughout the project, and providing incentives for successful marketing of the project, the grantmaking organisation completes the project chain, from inception to submission, funding to completion, and may allow the experienced grantseeker to take on bigger and more successful projects and the cycle starts again.

“This would allow the grantmaking organisation to generate an inbuilt expertise including and supporting the grant administration and increase its networks through maintained relationships with grantseekers and developing relationships with possible collaborations – contributing to the health and sustainability of both the grantseeker and the grantmaker.”

APPLICATIONS, ASSESSMENTS AND EVALUATIONS

The processes of application, assessment and evaluation are of course central to grantmaking, and each features often in discussions about how grantmaking can be improved.

Grantmaker of the Year finalists had many thoughts, opinions and ideas about how each of these areas could be improved.

Make the application process more worthwhile and more beneficial to all applicants

For grant applicants, the feeling that time and effort spent on an unsuccessful application has been “wasted” can be hugely disheartening. Grantmaker of the Year Carley Commens was among the finalists who suggested more could be done to address so-called “unfunded application waste”.

“To respond to ‘unfunded application waste’, my idea is to develop a short evaluation tool for inclusion in the application process which would aim to increase the benefits of the application for applicants,” Ms Commens said.

“Capacity is an important criterion for assessors to ensure public money will be given to responsible organisations or applicants. Often this information is gathered through questions in the application describing who the applicant is, their ABN, and the set-up and structure of their organisation.

“These questions regularly involve collating and uploading or attaching a variety of material to prove this information. [This process] can become quite time consuming.

“To prevent this type of ‘deadweight loss’ waste, an evaluative tool could be designed to allow the applicant to ‘tick and flick’ responses to questions about their background and capacity to deliver. On completing the evaluation tool, each applicant would receive an indicator summarising their size, turnover and operational capacity, perhaps a star rating of what kind of applicant they are, based on the responses in the tool.

“This would provide assessors with uniform data for all applicants that could be easily and quickly assessed. It would reduce the amount of preparation an applicant is required to do for collation and uploading. It would also reduce the administration and management of this data once collected by the funding body in the application process.”

Improve feedback to grantseekers throughout the application and assessment process

The lack of feedback to grantseekers is a source of concern, confusion and frustration.

One award finalist put it bluntly: “Feedback needs to be given to unsuccessful applicants; how else are they to

know where they are going wrong?”

Another finalist noted that their field often stumbled when it came to feedback: “[At our organisation] when the applications are being assessed, the grant reviewers have the opportunity to seek clarification, question the statements made, or provide feedback on weaknesses in the application.

“Other funding bodies seek only to invest in those with established records, and do not provide feedback. Funding bodies in our field do not communicate well.”

Carley Commens suggested a specific way to provide better feedback to applicants during the assessment process. For details of her award-winning ideas, see page 4.

Demystify the assessment process and educate grantseekers on the process

Certain grantmaking processes can leave grantseekers cold, the assessment process among them. One finalist highlighted the work their team was doing to demystify the process:

“Grantseekers are often only involved in the application and, if successful, implementation stages of the grantmaking process. Very few grantseekers are privy to, or have a strong understanding of, the assessment stage of grant applications,” the finalist said.

“As a grantmaker, I am often asked for copies of ‘good’ grant applications. This is difficult to provide as grant applications are made in ‘confidence’ and are not to be shared. Instead, our team came up with the idea of ‘Mock Grants Assessment Workshops’.

“The first workshop, conducted in 2013, aimed to give participants an insight into the assessment process.

“The workshop placed the applicant in the role of the assessor on a mock panel but with nominations based on real applications, demonstrating their strengths, weaknesses and common errors.

“The Mock Grants Assessment Workshop targets unsuccessful applicants and... gave the participants an insight into how they could improve their grant applications in the future. Overall, participants gained a better understanding of how to write a grant and the importance of having clear project descriptions, aims and objectives, itemised budgets, and monitoring and evaluation methods.”

Encourage funders to share their expertise so they can better evaluate their grantmaking

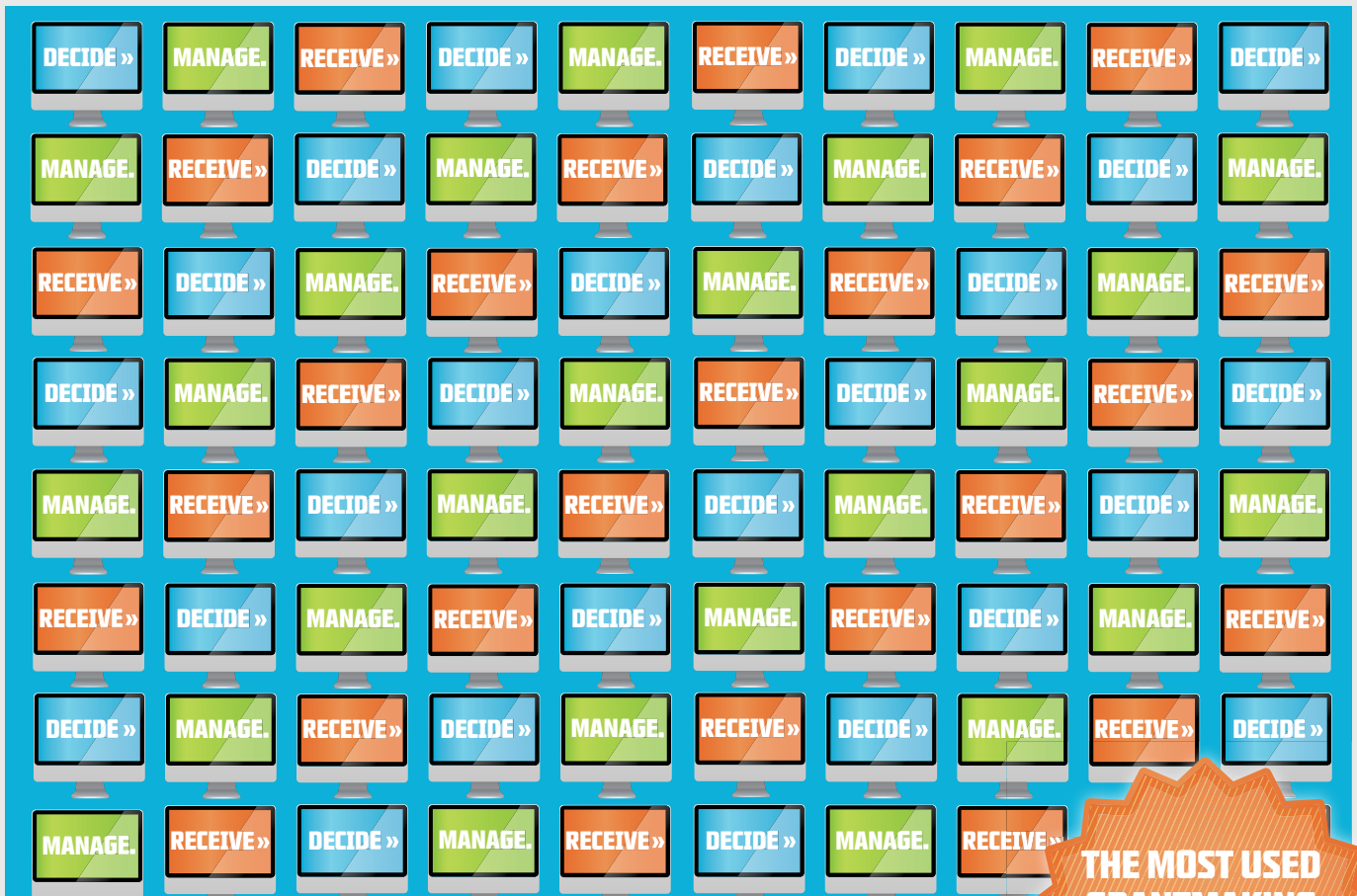
Initiatives such as the workshops mentioned above are a great way to improve grantseekers’ and applicants’ knowledge of the grants process. But what about grantmakers themselves? One finalist detailed their organisation’s efforts:

APPLICATIONS, ASSESSMENTS AND EVALUATIONS

“As a small-medium regional grantmaker with limited resources we accept there is no ‘silver bullet’ and no right answer, but we are keen to share our experience.

“We’ve recognised the only way to improve measuring the effectiveness of our grantmaking (our results) was to keep it simple and to develop a two-tier measurement strategy which is underpinned by a series of activity phases, which we could articulate and apply over time, at a scale and tailored within our available expertise, resources and unique community story.

“We are continuing to strive towards further articulation, modification and trial of our two-tier evaluation strategy. One of our ideas is to establish and trial ‘Evaluation-Lite’ – a no-cost or low-cost best practice peer self-help network as a practical strategy to build individual and collective capacity and develop shared expertise amongst a network of cash-strapped small-medium grantmakers interested in improving measuring the effectiveness of their grantmaking.”



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FUNDING PRIORITIES

How grantmakers direct their funding is a cause for much debate among grantseekers. But Grantmaker of the Year entries made it clear that grantmakers are also aware of the need to think about their funding priorities. Entrants proposed that grantmakers should consider directing more funding towards:

“Early stage” projects

“I believe grantmakers should take a leaf from the venture capitalist community,” one finalist wrote.

“Grant funding programs which encourage and support risk-taking through ‘prototyping grants’ foster a culture where new ideas and/or alternative approaches are encouraged and tested, without the application of too much funding and resources from the grantmaker.

“This process, which should be run in parallel to mainstream funding rounds, also provides an opportunity for early stage failures to occur, core assumptions to be tested and operating processes ironed out and strengthened before the idea/venture/program is fully scaled and delivered.

“In addition, adopting a prototyping grants model provides an important opportunity for the grantmaker to develop an ongoing and working relationship with the grantee before a larger commitment is made to the venture.”

Capacity building

Making grants towards building organisational capacity can result in a better investment by the grantmaker in the community.

“Grantmakers could contribute to long-term sustainable solutions by building the capacity of people and their organisations,” one finalist said.

“[Our] grants program endeavours to do just this, by focusing on empowering organisations and communities to develop creative solutions and deliver projects that respond to community needs.

“We focus not just on the money or the project, but on enhancing the skills of staff and volunteers within the organisation by providing workshops, training, sharing of resources and ongoing support. In-kind support such as office and meeting space is also important.

“I believe if recipient organisations are given the opportunity to increase their capacity and deliver successful projects, a grantmaker’s funding will act as a better investment for the broader community.”

Smaller or emerging organisations

Linked to capacity building is the idea of funding smaller or emerging groups – thus helping them to grow. Among the ideas outlined by award entrants:

- When funding a program targeting small and emerging communities, grantmakers could ensure the cost of working with small voluntary organisations is factored into the budget. For example, promotion may include telephone costs for community leaders to call people to tell them about the service.
- Grantmakers encouraging larger organisations to build the skills of small and emerging communities through both funding them to run capacity building projects and funding them to auspice projects for small organisations.



RISK

A number of Grantmaker of the Year finalists highlighted the need for more grantmakers to consider the value of taking risks.

Take more risks in grantmaking

“In my observation, grantmaking organisations remain risk averse when supporting new and innovative early stage ideas and programs,” one finalist said.

“Limited tolerance for failure has become a cultural norm... (fuelled) by a finite funding environment and the sector’s obsessive focus on maximising returns on investment.”

The fear of failure looms large when grantmakers consider taking risks with their funding. That fear can be further amplified by a feeling of isolation – that the grantmaker is “the only one” who has taken a risk and failed.

For grantmakers, having a safe place to share stories, successes and failures can alleviate the feeling of loneliness and help overcome the fear of risk. As one grantmaker pointed out earlier in this report:

“Creating a safe place where we risk sharing and learning from our and each other’s mistakes could be a genuine developmental ‘coming of age’ experience for grantmaking in Australia.”

Take a “risk-considered approach” to grantmaking

Grantmaker of the Year Award winner Carley Commens advocated an approach to grantmaking in which identifying and responding to risk are central tenets:

“In my experience working as a grantmaker in local government there is a boundary between administrators who design forms, provide advice and feedback to applicants, and coordinate the assessment and acquittal assessment of grants programs, and the decision makers,” she said.

“The decision makers, politicians in the local government sector in which I work, decide how much of the organisation’s budget is to be distributed in grants with little, if any, input from the grantmakers and administrators.

“I believe that celebrating innovation in grantmaking will build confidence in decision makers and encourage them to allow greater risk by those developing and administering grants. By helping decision makers listen to ideas for innovation from the people on the ground, the administrators and grant makers would encourage bigger risk taking.

“One way grantmakers could demonstrate bigger risk taking is by encouraging flexibility and making applications less rigorous.

“Another way to encourage trust between decision makers and grantmakers is to highlight the risks and identify for decision makers the likelihood of those risks. Taking risks could include the use of peer assessment, shorter and easier-to-complete application and assessment processes and lower level sign-off for grant program approvals.”



WHAT CAN YOU DO? IDEAS FOR ACTION

Here we suggest some questions grantmakers can ask themselves when reviewing their work, as well as some practical actions they can take to improve their efforts in the areas identified above.

Commonality

- Are your grants documents – acquittal forms, applications forms, funding agreements – consistent?
- Are your language and terminology consistent across your grants processes, documents and classifications?

Ensure staff and grants officers are familiar with your organisation's terminology, use it in their interactions with grantseekers, and in turn encourage grantseekers to use it as well.

Consider compiling a help document or glossary aimed at grantseekers, and make it available online or even in print.

Review how you present your forms – strive not only for consistent language but for clear, consistent labelling, layout and branding.

Remember, consistency can benefit not only grantseekers but grantmakers as well.

On a related note, there is a role for grantmakers in supporting moves towards a national taxonomy for the classification of grants (something the Australian Institute of Grants Management is currently working on) in order to improve understanding, consistency and communication in the profession.

Sharing

- What are your communication processes?
 - How do you spread the word about the impacts your grants are having?
 - Do you encourage those you have funded to actively seek publicity for the work they are doing (that you have funded)?
- How do you tell your stories? Do you have a medium through which you can share the positives and negatives, the successes and failures?
- How do you share your experiences with other grantmakers and funders? Do you regularly chat or network with them?

Tell people about your success. This can be done in a number of ways – through the media (either mainstream or subject area specific), your website, or blog, annual reports, etc.

Emphasise and illustrate the practical results your funding has produced, and do so in a way which is readable, informative and interesting (use illustrations, videos, etc).

It is just as important for you to support and encourage those you are funding to seek publicity for their efforts. Make them aware of publicity opportunities, consider providing for these in your funding, and ensure you are available to comment to the media when needed.

As grantmakers strive for success – and to support successful efforts – we all know that there are many grants that simply don't work out. Unfortunately, while there are many useful learnings to be had from "failure", many of them remain hidden because of grantmakers' reluctance to share these stories.

The AIGM believes it is vital that grantmakers are comfortable discussing mistakes and missteps. However, it is only with some courage, and a change in thinking, that many grantmakers will do this. It requires a safe and supportive environment, one that allows grantmakers the chance to share the stories behind the mistakes, examine the causes of the problems they've encountered, and, perhaps most importantly, discuss and present the lessons they have learned.

Finally, too often we end up working in isolation. Grantmakers should make the most of opportunities to network and chat with fellow funders. Discussing learnings, swapping "war stories" and chatting about different ways to approach problems and funding challenges are all invaluable.

Applications, assessments and evaluations

- How do you make the application process worthwhile to all applicants?
 - What sort of feedback can you offer both successful and unsuccessful applicants?
 - How can you help applicants improve so they stand a better chance of gaining a grant in the future?
- What education or information do you provide grantseekers to enable them to understand your processes?
 - Do you provide grantseekers with opportunities to learn – for example, information sessions, lessons from past grants rounds, examples of successful or unsuccessful grants applications?
- How do you help funders to evaluate their grantmaking?

Grantmakers always have a role to play in improving application, assessment and evaluation processes.

Grantmaker of the Year Carley Commens talks about "deadweight loss" or "unfunded application waste" in her award application, and the importance of making the application process valuable and worthwhile to grantseekers cannot be underestimated.

Think about how you communicate with unsuccessful applicants. Do you take the time to give them useful honest feedback?

WHAT CAN YOU DO? IDEAS FOR ACTION

This isn't realistic if you receive hundreds or thousands of grant applications, but at the very least those who were nearly successful deserve some feedback and encouragement to help them succeed next time.

Providing guidance and learning opportunities to prospective applicants is also important. Holding information sessions is a great way to educate applicants, as is making available the learnings from previous grants rounds and applications.

Ensure your assessment processes are transparent and easily understood. Spell them out on your website and in application documents.

Ms Commens' suggestion to involve applicants in the evaluation process (see page 4) is a great way to help them to learn through (limited) exposure to others' applications.

Any proposal which helps grants applicants to gain a greater understanding of grantmakers' processes should be encouraged. Doing so is a big step towards improving the quality of grants applications.

This in turn should reduce the need for grantmakers to sift through poor quality or irrelevant applications. Grantmakers can then put these savings of time and money towards improved application assessment, better support for successful grantseekers or even a larger grants funding pool.

Funding priorities

Are you willing to re-direct some of your funding to support:

- "Early stage" projects?
- Capacity building?
- Smaller or emerging organisations?

Many grantmakers stay in their comfort zones, shying away from projects or areas they deem too risky.

Yet it is "risky" projects that can have the most impact, break new ground or really make a difference.

The key lies in finding ways to grant in these areas while keeping risk at an acceptable level.

Supporting early-stage grants through a prototyping grants model can minimise risk and allow grantmakers to dip their toe in the water through a preliminary commitment.

Such support also provides the opportunity for both grantmaker and funding recipient to work through processes and overcome any hiccups before making a larger commitment.

Another option for funders might be to collaborate with another funder (or even a corporate) in order to share both the risk and the potential reward.

Capacity building is an often overlooked funding need, particularly in relation to improving the skills and abilities of people. This is especially important for small and emerging groups. Grantmakers should consider how they can incorporate capacity building into their funding:

- Set aside portions of grants, or even entire grant rounds, for staff training or other "core costs";
- Work in partnership with the funding recipient to develop tools and resources for staff;
- Provide support beyond the grant – meeting spaces, resources, access to professional support opportunities.

Risk

Are you willing and able to take risks in your grantmaking?

- Under what circumstances can you as a grantmaker tolerate "failure" or "partial success"?
- How much importance do you place on learning, even if it is through missteps? Can you tolerate failure if you learn through it?
- How can you develop a mindset geared towards taking measured risks in your grantmaking?

Taking risks is not for everyone. Some grantmakers can't or won't take risks – because of their structure, their inherent conservatism, or just their fear of failure and its repercussions.

But we believe grantmakers have a responsibility to take measured risks when allocating grants. Nothing outlandish or irresponsible, mind you, but considered risks in an environment where such decisions are not just tolerated but supported.

Trust is important in this process. If there is a level of trust between grantmakers and applicants, risks are more likely to be acknowledged, discussed and tolerated.

It is important that both grantmaker and grantseeker are honest and open about discussing risk and have a positive approach towards addressing and reducing the risk.

As well as being tolerant of risk, grantmakers need to be tolerant when the risk doesn't quite work out. Grantmakers who take risks, and who have taken reasonable steps towards managing those risks, should not have a crippling fear of failure or of the repercussions that might come with it.

Failure is failure only if you don't learn from it. The ability to learn from mistakes is important across the entire grantmaking sphere – but especially if you are taking risks.

Ensure you learn from your missteps, and then find ways to share these learnings; after all, fear of failure tends to be amplified by thinking you are the only one who has made that mistake.

AUSTRALIAN INSTITUTE OF GRANTS MANAGEMENT

The AIGM is a best practice network for grants managers and grantmakers.

The AIGM works to help grantmakers review and improve their grants programs, and keep abreast of best practices both within Australia and internationally.

The AIGM is a division of Our Community, a world-leading social enterprise that provides advice, tools and training for Australia's 600,000 community groups and schools, and practical linkages between the community sector and the general public, business and government.

What we believe

- 1. Grantmaking is an absolutely central element in the Australian economic system.** Not one dollar should be wasted on poorly designed, poorly articulated, poorly evaluated, or inefficient systems. Grantmakers must maximise resources by sharing lessons, and seeking and learning from those shared by others.
- 2. Australia needs more and better professional grantmakers.** The job of grantmaking should be afforded appropriate professional status, training and recompense.
- 3. Grantmakers should listen to the communities they serve.** Grantmakers should be driven by outcomes, not process. They should trust and respect their grantees and offer programs, systems and processes appropriate to their needs and capacities.
- 4. Grantmakers should be efficient. Wastage is indefensible.** Skimping on systems, technology and professional staff is equally wicked.
- 5. Grantmakers should be ethical.** Grantmakers must ensure that the process of grantmaking is fair, unbiased, and open.

You can read more about our values and beliefs in our grantmaking manifesto: www.grantsmanagement.com.au/manifesto.

What we do

As well as overseeing a number of grantmaking affinity groups, the AIGM's major offerings include:

- **SmartyGrants** Australia's best practice online grantmaking system, used by more than 3900 grants programs of all types and sizes across Australia and New Zealand.
- **Grants Management Quarterly (GMQ)** The AIGM's member publication, tracking best practices in grantmaking across Australia and all over the world.
- **Grantmaking Toolkit** An all-in-one decision-making framework, workbook (including policy building templates), and check-up tool designed to walk grantmakers through the process of building, reviewing or refreshing a grants program.
- **Grantmaking Manifesto** Framing the drive for reform and professionalisation of grantmaking in Australia.
- **Code of Practice for Professional Grantmakers and Code of Practice for Grantmaking Agencies** Setting performance and practice standards for leading grantmaking organisations and individuals.
- **Grantmaking Knowledge Bank** Searchable, topic-based listing of best practice thinking and case studies.
- **Grantmaking in Australia Conference and other training and events** Generalised and topic-based conferences, networking events and training for government, philanthropic and corporate grantmakers.
- **Grants in Australia Survey** Annual survey of grantseekers tracking the performance of grantmakers throughout Australia.

For more information about the AIGM, or to join, visit www.grantsmanagement.com.au, or email service@grantsmanagement.com.au.



AIGM GRANTMAKER OF THE YEAR AWARD 2014 REPORT

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Special thanks:

Our sincere thanks go to all those who entered the 2014 AIGM Grantmaker of the Year Awards, and particularly the winner: Carley Commens, from Brisbane City Council.

We thank all nominees for giving us access to their expertise and ideas. The entries for the 2014 awards are among the highest quality we have received, and we look forward to drawing on these ideas and more as we push forward in our grantmaking reform agenda in the months and years to come.

We welcome your feedback: We are always keen to hear from you.

Send your feedback to service@grantsmanagement.com.au.



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ourcommunity.com.au