

# GRANTMAKING TOOLKIT:

## The Smart Way to Build, Review or Refresh your Grants Program

VERSION 1.0

Released February 2011

### AUSTRALIAN-FIRST!

An all-in-one  
Grantmaking Toolkit:

- Decision-making framework
- Workbook with templates
- Check-up tool

\* **ONLY \$180 for AIGM Members!**  
**(Non-Members \$230)**

Australian Institute of  
Grants Management



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*“It’s the first of its kind in Australia. There have been other attempts to chart the grantmaking process, but never before has there been a tool that not only provides the roadmap, but also the engine that will move you along the road. While the decision-making framework gets you thinking, the templates will get you doing.”*

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# WHAT IS THE GRANTMAKING TOOLKIT?

**The Grantmaking Toolkit is an all-in-one:**

- **DECISION-MAKING FRAMEWORK,**
- **WORKBOOK (with hard copy and online templates), and**
- **CHECK-UP TOOL,**

**designed to walk you through the process of building, reviewing or refreshing a grants program.**

While the detail may vary, the overwhelming majority of grants programs have an almost identical lifecycle – from initial program design, through application and promotion to awarding and management of grants, and finishing with acquittal, review, evaluation and dissemination of lessons.

There are standard principles that underpin each phase of the lifecycle, and there are common questions that every grantmaker needs to ask about each phase too.

The Toolkit is built upon the AIGM's principles of best practice grantmaking and is designed to be both universal and scaleable.

Whatever type of grantmaker you are, the Toolkit will help you design, develop and deliver the best possible grants program. Specifically, it will help you to:

- Determine the key policy and operational decisions on which the success of your grants program hangs;
- Identify what needs to be done and by whom in order to deliver your program efficiently and effectively;
- Work out what decisions need to be made about how each activity will be done;
- Identify common slip-ups and put in place processes that will allow you to avoid them;
- Build your own organisational Grants Manual; and
- Express the unique elements of your particular grants program.

The Toolkit will also enable you to review aspects of an existing grants program management system, or the program in its entirety, to identify issues and develop solutions. The Check-up Tool will allow you to quickly take the pulse of your grants program, and to navigate to the relevant Elements within the Toolkit.

Our 20 templates (provided as part of the hard copy Toolkit and as an online Workbook) will help you develop a custom-made Grants Manual and/or policies for your program.

## THE PRINCIPLES

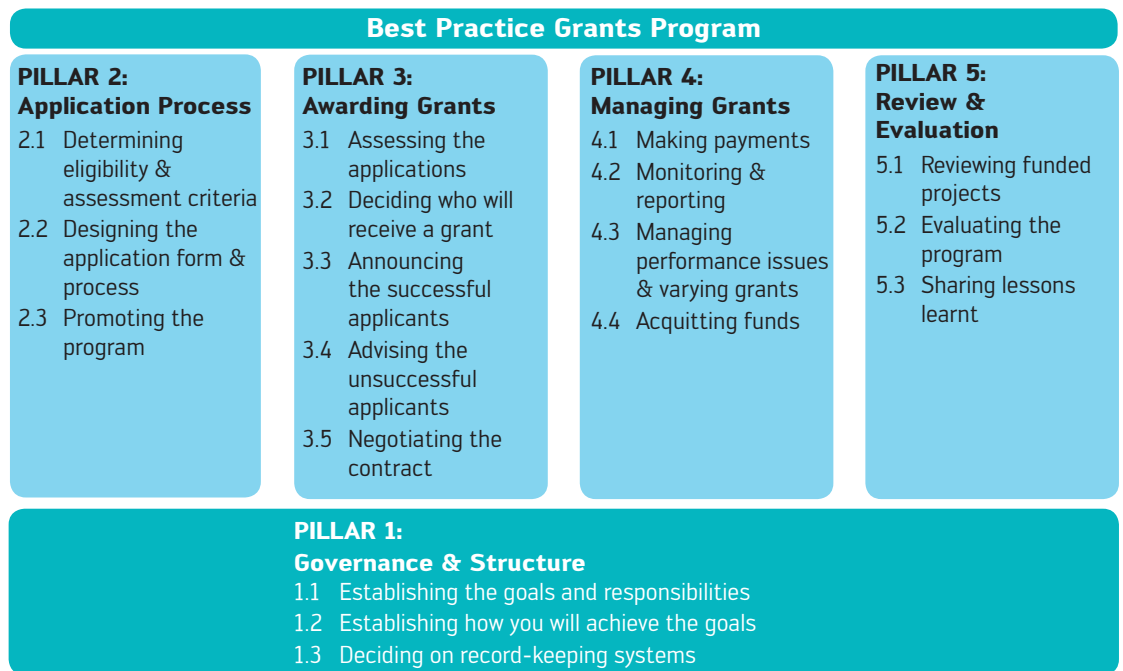
If you work through the Toolkit your grants program will be designed around the following eight principles:

1. Outcomes are clearly identified;
2. Governance is clear and strong;
3. Decision-making is transparent and criteria-based;
4. Information is available and accessible;
5. Risks are identified and managed;
6. Program structure is tailored to its circumstances, target group/s and purpose;
7. Financial and grant performance are both monitored and reported on; and
8. A contribution is made to the knowledge base of the broader community.

# WHAT'S IN THE TOOLKIT?

The Grantmaking Toolkit identifies the five key pillars that are necessary to support a well-designed and successful grants program. The pillars are set out in the logical sequence that follows the typical life-cycle of a grants program, excepting the first pillar (Governance & Structure) which acts as the bedrock for the others.

The five Pillars of the Toolkit are broken down further into 18 separate Elements - key components within the overall task. Templates are provided for each element to help you easily move from the “thinking” to the “doing”.



**PILLAR 1: GOVERNANCE AND STRUCTURE** – The overall aim of this pillar is to state clearly the ‘why’ and ‘what’ of the grants program. Just as goals, policies and approaches underpin the whole program, so too do the decisions about the records systems to be used throughout the lifecycle of your program.

**PILLAR 2: THE APPLICATION PROCESS** – This pillar helps you clarify exactly what information you need from applicants to assess whether they will be able to deliver the program goals. Here you also identify how you are going to assess the applications so that you can ensure you actually ask applicants what you need to know (and only what you need to know). Once you have determined what you are going to ask and how you are going to assess the applications, you need to determine how you are going to reach out to the people best placed to deliver the results.

**PILLAR 3: AWARDING GRANTS** – Every grants program needs a fair and transparent decision-making process – it’s important that your process can stand up to external scrutiny. There are many issues to be dealt with when awarding a grant, such as ensuring the proper involvement of stakeholders in announcing successful applicants and negotiating the actual grant agreement. Unsuccessful applicants must also be dealt with respectfully and constructively.

**PILLAR 4: MANAGING GRANTS** – This pillar focuses on the relationship between the grantmaker and the grant recipient over the life of a grant. It deals with the payment, monitoring and acquittal processes, as well as helping you to prepare for variations to the grant terms that may arise during the course of the grant.

**PILLAR 5: REVIEW AND EVALUATION** – The final pillar helps you determine how you will assess what has been achieved through your grant (outcomes); what has worked (process); and what can be done differently next time (developing the knowledge base). Although review and evaluation are inevitably considered the end process of a grant, it’s very difficult indeed to bolt these processes on as an afterthought – you need to be thinking about them when you design your program.

# WHAT'S COVERED IN THE TOOLKIT?



## INTRODUCTION

- The AIGM Grantmaking Reform Agenda
- What is the Grantmaking Toolkit?
- Who can use the Grantmaking Toolkit?
- How to use the Grantmaking Toolkit

## GRANTS PROGRAM CHECK-UP TOOL

### Pillar 1: Governance and Structure

- Establishing the goals and responsibilities  
(**Templates:** Grants Program Overview; Grants Program Stakeholders)
- Establishing how you will achieve the goals (**Template:** Operational Framework)
- Deciding on record-keeping systems (**Template:** Records Policy)

### Pillar 2: The Application Process

- Determining eligibility & assessment criteria (**Template:** Eligibility and Assessment Criteria)
- Designing the application form & process (**Template:** Management of the Application Process)
- Promoting the program (**Template:** Program Promotion Policy)

### Pillar 3: Awarding Grants

- Assessing the applications (**Template:** Application Assessment Policy)
- Deciding who will receive a grant (**Templates:** Decision-making Policy; Decision-making Table)
- Announcing the successful applicants (**Template:** Announcing Successful Applicants Policy)
- Advising the unsuccessful applicants (**Template:** Unsuccessful Applicants Policy)
- Negotiating the contract (**Template:** Contracting Policy)

### Pillar 4: Managing Grants

- Making payments (**Template:** Payment Policy)
- Monitoring and reporting (**Template:** Monitoring & Reporting Policy)
- Managing performance issues & varying grants (**Template:** Performance Issues Policy)
- Acquitting funds (**Template:** Financial Acquittal Policy)

### Pillar 5: Review and Evaluation

- Reviewing funded projects (**Template:** Project Review Policy)
- Evaluating the program (**Template:** Grants Program Evaluation Strategy)
- Sharing lessons learnt (**Template:** Lessons Learnt Strategy)

## Glossary of Terms

### HOW TO USE THE GRANTMAKING TOOLKIT

**For grantmakers designing a new program,** work through the Pillars in sequences, from one to five. (It's a good idea to flick through the entire Toolkit before you start so you can get a sense of how all the elements of a successful grants program fit together.) Use the Templates provided as part of each Element (also available online) to develop the policy and practice documents that will underpin your program.

**For grantmakers undertaking a program review,** the Toolkit will help you identify areas where your program may be lacking, as well as suggesting some remedies or reforms. Start with the Grants Program Check-up Tool to identify areas of concern. Use the references in the Check-up to find the relevant chapter so you can work through the detail.

# THE TOOLS

For each of the 18 Elements identified as essential to a best practice grantmaking program, the Grantmaking Toolkit includes a **Decision-making Framework** that provides:

- A summary of the thinking behind the Element;
- A key message which spells out the goal for this phase of your planning process;
- A list of key tasks – what needs to be done to achieve the goal;
- Questions that you will need to think through before developing program documents and moving to the “doing” stage; and
- A list of the key documents that you will need to produce for this particular aspect of your program.

For each Element we also provide one or more **Templates** that you can use to produce the key documents required.

The Grantmaking Toolkit also includes a **Check-up Tool** which will allow you to quickly take the pulse of your program and, where deficiencies are found, navigate to the relevant Element within the Toolkit.

**ELEMENT 1.2:**  
**Establishing how you will achieve goals**

**SUMMARY:**  
There are many legitimate ways to reach a stated goal or objective. Some approaches involve more clinical, business-oriented or purchaser-provider type relationships; others are more developmental, relationship-building, and participative. Element 1.2 is about clarifying which of these approaches you will use. The answers to the questions in this Element will create the broad policy framework that will help you make the more detailed policy and operational decisions that will arise later.

**KEY MESSAGES:**

- A coherent, effective grantmaking strategy requires a well thought through and clearly articulated policy approach and clear lines of responsibility.
- You need to develop, share and agree on the broad policy approaches to the delivery of the grants program before diving into the detail.

**THE TASK:**

- To establish the policy principles and parameters that will enable you to achieve the goals identified in Element 1.1 and that will provide the backbone for the rest of your program.

**KEY QUESTIONS:**

- What is the organisation's decision-making structure and how will that be reflected in the administration of this program?
- Where do the responsibilities lie? Who is accountable for decision-making, administration and speaking on behalf of the grants program?
- What type of community is being focussed on – community of location or community of interest? Why has this community been chosen?
- Is the program universal (e.g. open to all organisations, or all people in a location) or targeted (e.g. open only to organisations or individuals with particular characteristics)? Why has this approach been chosen?

**KEY INFORMATION TO BE RECORDED**

- An *Operational Framework* that succinctly states all the policy positions regarding the underlying principles, approaches and parameters for the delivery of the program, and includes governance and decision-making arrangements. (For ease of understanding, it can be useful to present the governance and decision-making arrangement in diagrammatic form.) See Workbook (Template 1.2.1).
- A *Grants Program Structure Chart* that documents who is responsible for what in the program and who has what authority. See the first line in Template 1.2.1 (ref 1.2.1.1).

**▶ TIP:**  
Do you know the difference between inputs, outputs and outcomes? Are you sure?? If you need a refresher, you can bone up at the AIGM's Knowledge Bank. [www.grantsmanagement.com.au/knowledgebank](http://www.grantsmanagement.com.au/knowledgebank)

**WORKBOOK**

Item	Policy	Comment
1.3.1.1 Purpose	The grants program recording system aims to track the interactions between the grantmaker and each unique grant applicant from the very first contact made about the program through to the last contact.	
1.3.1.2 Overview of record system	The grants program recording system aims to track the interactions between the grantmaker.	
1.3.1.3 Initial contact	A unique record with a unique identification number will be set up for every applicant from the very first contact. At the first opportunity (e.g. when a request for information is	

# THE AIGM GRANTMAKING REFORM AGENDA



Grantmaking is changing.

No grants program in the modern era can escape the demands for more transparency, more professional administration, more responsiveness.

Paper is out; internet-based forms and processes are in. Transparency is paramount; paper trails are a must. Auditors are interested, the public is interested, and so is the media.

People are looking for results. *What's the outcome? What's the impact?*

It's a lot more work than it used to be. It's also more reflective, more professional, and more effective than it used to be – though we still have such a long way to go.

This Toolkit has been designed to keep us moving on that journey, to help push the practice and the profession forward.

It's the first of its kind in Australia. There have been other attempts to chart the grantmaking process, but never before has there been a tool that not only provides the roadmap, but also the engine that will move you along the road. While the decision-making framework gets you thinking, the templates will get you doing.

One of the problems with grantmaking is that everybody works in separate silos. Nobody has it perfected, and while everyone knows half a dozen great things, there has never been an easy way for them to share what they know, or learn what others have found out.

Through this Toolkit, we have made a start at drawing the wisdom of the crowd into one place. It's not the final answer on the topic. We have deliberately labelled this Version 1.0 – we hope that many of you will contribute your own thoughts and ideas to help inform Version 2.0 and beyond.

Tell us what we've missed, where we've fallen down, how we can improve. We're on the road, but the journey has only just begun.

**Denis Moriarty**  
**Group Managing Director, Our Community**

## About the Australian Institute of Grants Management (AIGM)

The Australian Institute of Grants Management is a membership-based organisation for Australian grantmakers who seek to understand and improve grantmaking.

We develop, drive and disseminate best practices across all grantmaking sectors in Australia, produce an acclaimed publication devoted to best practice grantmaking (Grants Management Quarterly) and host a comprehensive online grantmaking 'knowledge bank', ensuring that lessons learned are lessons shared.

We also convene an annual grantmaking conference, run an annual grantseeker survey, and have developed a best practice online grants management system, SmartyGrants ([www.smartygrants.com.au](http://www.smartygrants.com.au)), which is the pre-eminent tool for grantmakers of all sizes and types across the country.

The AIGM is a division of Our Community, a world-leading social enterprise that provides tailored advice and tools for community organisations, business and government.

We are indebted to AIGM Directors Barry Smith and Fiona Dempster, leading grantmaking consultants in Australia, for contributing their great wealth of knowledge of effective grantmaking processes and principles to produce this document.

# ORDER FORM/TAX INVOICE

## GRANTMAKING TOOLKIT

**PRICE:** \$230 / \$180 for AIGM members

Yes, I am an AIGM member and entitled to the discount price.

I would like to order  x Grantmaking Toolkit/s =

Prices inclusive  
of GST.

Our Community  
ABN is  
24 094 608 705.

### Five Easy Ways to Order:

→ **PH:** (03) 9320 6800

→ **MAIL:**

Our Community  
PO Box 354

→ **ONLINE:** (by credit card, cheque or EFT)

[www.grantsmanagement.com.au/toolkit](http://www.grantsmanagement.com.au/toolkit)

→ **FAX:** (03) 9326 6859

North Melbourne VIC 3051

→ **EMAIL:** [service@grantsmanagement.com.au](mailto:service@grantsmanagement.com.au)

### Your Details:

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### Payment Options:

**CHEQUE:** Cheques payable to Our Community Pty Ltd | **EFT:** BSB: 033 132 ACC: 146221

**CREDIT CARD:** Please fill in your card details online at [www.grantsmanagement.com.au/toolkit](http://www.grantsmanagement.com.au/toolkit) or in the space provided below and send via post, fax or email.

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