



# Best practice program reviews

*A comprehensive review of your grants program is hard work, but the payoff will likely be new efficiencies and better value for your money.*

**ALL too often** grants programs run for year upon year without review. Administrators assume programs continue to meet carefully-designed aims and goals without checking that in fact they do, and without checking that those aims and goals continue to be the best way for a grants program to meet its objectives.

Two presenters at this year's Best Practice in Grants Management Conference outlined program reviews they had conducted which offer useful lessons for all grantmakers.

Maya Spannari from Port Macquarie-Hastings Council (PMHC) described

the grants mapping exercise she has been working through over recent years. She had created a matrix of the various ways in which PMHC funded the community, allowing them to take a step back and consider what they were doing and how they could improve.

From a very different grantmaking body, Lotterywest's Jacquie Thomson told delegates about how the Western Australian state lottery grantmaking program had evolved considerably over a number of years.

In a very big shift it has switched from a compliance-driven program-based

model with 36 types of grants to a relationship model with only five funding principles and five funding priorities.

While the two presentations were very different (you can read about each of them in the break-out boxes alongside this article), together they offer a number of ideas for other grantmakers wanting to embark on program reviews.

All grants programs can benefit from occasional review. As Jacquie Thomson says, grantmakers have a responsibility to ensure they are generating as much community ►

## PORT MACQUARIE-HASTINGS COUNCIL – THE GRANTS MATRIX

OVER some of the nine years she has spent managing grants at Port Macquarie-Hastings Council, Maya Spannari had been developing a database of all the council funding that was available, who was receiving that funding and how they were receiving it.

It was a big and time-consuming project, but when she heard Queensland Auditor-General Glenn Poole speak at the 2008 Best Practice in Grants Management Conference, she decided to take it even further.

"I sat back and thought, I've got this matrix of grants now, but how do they fit with this model of giving, shopping or investing?"

Giving, Mr Poole had explained, consisted of charitable donations – giving worthy causes general support.

Shopping was the procurement of services.

Investing was longer-term capacity-building.

Ms Spannari said when she got back to work she tried to fit the grants in her matrix to those three categories.

"I found it really wasn't an easy task because there wasn't really one port of call for me to go to to say, 'What funding do we have available within the organisation? Who manages it? How does it operate?'"

She said this second aspect of her project was also time-consuming and some people were suspicious about why she was asking so many questions.

"But it's actually started to turn into a really strong project moving us

towards best practice," she said.

She said the matrix was a great way for the council to be able to communicate funding information clearly to the community.

It was also useful for internal awareness.

"Other staff can know who they need to contact about what," she said.

"There's a whole range of other people responsible for funding, and it makes the inquiry process much more efficient."

She said that where some administrators and councillors have discretionary funds, the matrix improves processes, making those processes more equitable, transparent and accountable.

benefit as they can.

“By improving our effectiveness we get better at enabling others, which in turn enhances the impact that both our grantmaking and our community development work has in the West Australian community.

“I think we all simply have to commit to that ever eternal cycle of continuous quality improvement,” Ms Thomson says.

I believe that the way we practice grantmaking can be as powerful as the money we grant,” she says.

“We enable others not simply by giving money but by giving possibility. The right amount to the right people at the right time and in the right way. Good people with good intentions and good ideas are out there.”

### ASK SOME ASTUTE QUESTIONS

The evolution of LotteryWest’s grants program and PMHC’s grants mapping both involved asking lots of questions. Some questions you might find useful in a review of your own grants program are:

- Are you getting value for money?
- Is your grantmaking as effective as it could be?
- Is your program flexible? Could it be more effective if it was more flexible?
- Is your program responsive to community need?
- How can you best support the community?
- What could you do to be more flexible and more responsive?
- How could you manage risk if you were more flexible and more responsive?
- Are you aware of all of the grants your organisation makes available to the community (and any other funding mechanisms)?
- Do you have clear lines of communication so that one area knows which grants have been approved and which rejected by another?
- Is your organisation clear in its own understanding of why it

operates the way it does?

- Is your grantmaking as efficient as it could be?
- Are there groups that have been receiving funding historically, year upon year, without question? Do they merit that funding?
- Are your compliance requirements reasonable, or do they burden the community with an unnecessary or disproportionate amount of red tape?
- Are your external communications as good as they could be? Do all eligible community groups know how they can work with you, or only those with whom you have an existing relationship?
- Does the technology you use do the job you want it to do? Could it be more efficient?

### GET BACK TO BASICS

Lotterywest began the “renovation” of its grants program, as Jacqui Thomson refers to it, by doing a number of things most grantmakers will probably have done themselves at some point. They:

- Conducted an environmental scan (assessed all of the internal and external forces, factors and stakeholders that would impact or be impacted by the program)
- Reaffirmed their vision and objectives
- Revised their program structure
- Shifted focus to purpose and policy intent, instead of guidelines
- Worked on their application form and the information they provided about grants
- Revisited and reworked processes
- Established a Q&A process.

And “as always”, Jacqui Thomson says, LotteryWest realised there was even more to do. Which is why she compares the process to renovating an old house – “You touch one thing and the rest needs looking at.”

For its part, PMHC’s grants mapping exercise was all about getting back to basics. Maya Spannari created a database, a matrix of all the different ways in which the council provided

funded to the community.

And then to get a better understanding of that funding, she looked at whether each of those grants was giving, shopping or investing.

At the 2008 Best Practice in Grants Management Conference, Queensland Auditor-General Glenn Poole said an appropriate accountability and risk regime could only be established after properly defining the funder-fundee relationship.

He outlined the giving, shopping, investing model used by the UK National Audit Office.

**Giving** is where charity or government funds are directed to an organisation which determines how to spend them, and accountability mechanisms involve the grant application and acquittals.

**Shopping** is where specialist social services the government is responsible for providing are procured for the community and accountability involves a funding agreement and detailed performance reporting.

**Investing** partnerships seek a long-term outcome through capacity-building, and accountability is through the application and acquittals in relation to the development of capacity.

Understanding where their grants fitted in the giving, shopping and investing model helped PMHC improve their processes and reduce red tape.

The matrix provided a useful tool to aid internal and external communications, because it presented a clear picture of funding, and highlighted gaps and duplications.

### STRUCTURE YOUR REVIEW

There are many, many frameworks available for developing business strategies, but you might like to consider those used by PMHC and Lotterywest.

Recently, Maya Spannari sought (and received) approval to commence a PDSA process: **Plan, Do, Study, Act.**

It will bring together grants managers from across the organisation who will establish what best practice is and how the council’s processes can be brought into line with best practice. ►

For detailed information about PDSA, go to <http://www.quality-improvement-matters.com/deming-cycle.html>, but in a nutshell:

- **Plan** what needs to be improved, what change is needed and when, how impacts will be measured and what will be affected;
- **Do** – identify those affected and inform them of your plans; carry out the changes you planned and put monitoring in place for the next step;
- **Study** improvements, problems etc.
- **Act** on those findings – make changes if the problem has not yet been solved, gather feedback.

Lotterywest called their process Fresh AIR, and while they developed it in-house it may also be useful for you. AIR stands for:

- Access to grants
- Impact of grantmaking
- Relationship between you, the

grantmaker, and your customers.

The second step of your grantmaking review might involve examining:

- whether there are unnecessary barriers in place that are preventing some groups from accessing your grants;
- what sort of impact your grantmaking is having and whether that impact is what you actually want to achieve; and
- the relationship between you and the community who can access your grants, and whether that relationship could be healthier.

### RELATIONSHIPS

Lotterywest's Fresh AIR project resulted in the adoption of a relationship model for grantmaking.

Small groups of staff are responsible for large areas of Western Australia and now make regular visits to those areas to stay in close contact with the communities they fund.

This allows Lotterywest to understand and respond to community need in their grantmaking.

“We see responsiveness in grantmaking as an interactive process of listening, sharing expertise and experience, appreciation and creativity,” Jacquie Thomson says.

“Flexibility, however, is the necessary counterpart to this, an entirely internal sort of responsiveness that means we’re willing to adapt our thinking if necessary, to go back to our board with a revision and to strive to evolve as the community we are part of evolves.”

They used an action research framework to trial the approach, which involved deciding what action to take, taking that action, and then modifying the approach after seeing the results.

“We’re now able to support a wider range of initiatives and we actively bring our own knowledge and creativity to these. We’re now ►

## LOTTERYWEST – AN ONGOING JOURNEY OF RENEWAL

General manager of grants and community development at Lotterywest, Jacquie Thomson, says the Lotterywest grantmaking program is a work in progress.

Rather than presenting the findings of a review to the 2010 Best Practice in Grants Management Conference, she described a continuing journey, albeit one with some significant signposts along the way.

“While we might be very satisfied with our ability to give away millions (of dollars), as a grantmaker we continuously question how well we’re spending that money and whether we’re giving maximum value,” Ms Thomson said.

“If our grantmaking is not as effective as it can be, then we’re all too aware that we’re just wasting everyone’s time, money – and this is the bit that really worries me – other people’s good intentions.”

In 1997 Lotterywest embarked on a

Strategic Framework Project. They overhauled their vision and objectives, program structure, application forms and grants information.

In the early 2000s, they began to focus on flexibility and responsiveness.

“We decided that being more flexible and responsive meant getting rid of (funding limits), due dates and getting rid of our beloved 36 grant types,” Ms Thomson said.

“In its place we created just five broad funding priorities.

“Instead of groups cutting their ideas into compliant chunks to improve the odds of funding approval, we encouraged them to think as broadly and strategically as possible and to talk to us early so we could help them develop a concept that would have the best chance of success, both with us and with other funding bodies.”

Five broad funding areas were

developed to be broad enough so that all eligible groups “would find a doorway that seemed to open for them”:

- Extending the capacity of not-for-profit organisations
- Strengthening community service delivery
- Enhancing community development initiatives
- Valuing Western Australia’s heritage
- Advancing participation in community life

Ms Thomson said responsiveness in grantmaking was an interactive process of listening, (and) sharing expertise and experience, appreciation and creativity.

“Flexibility, however, is the necessary counterpart to this, an entirely internal sort of responsiveness that means we’re willing to adapt our thinking if necessary, to go back to our board with a revision and to strive to evolve as the community we are part of evolves.”



bringing so much more than just dollars to the table,” Ms Thomson says.

Maya Spannari also found that reviewing her council’s grants program helped to improve stakeholder relationships.

Analysing grants and understanding whether they were donations or the purchasing of services or a more complex investment helped them to then reconsider what should be expected of grant applicants in each of those circumstances.

“We’re the grant-givers and so there’s a lot of power invested in our position,” Ms Spannari says.

“It’s about adjusting that power so that it doesn’t become onerous for community groups to make applications for funding.”

Developing the matrix helped to improve processes and reduce red tape.

### BALANCING COMPLIANCE WITH OPPORTUNITIES

Overly burdensome application and acquittal processes are a perpetual bugbear for grantseekers. While at present you may think that all the paperwork you require is a necessarily evil, you may find that a thorough review suggests otherwise.

Lotterywest found that its

compliance requirements were actually inhibiting grantmaking because projects were being assessed according to compliance rather than merit, which meant opportunities could have been missed.

“If a community idea didn’t fit into one of our guidelines... both we and the applicants would turn ourselves inside out trying to make the project fit the guidelines instead of focusing on the question of community benefit,” Jacquie Thomson says.

“As well as reams of paperwork, people sometimes had to run around and around in circles and submit multiple applications for different parts of one overall concept, each moulded and squeezed, not for greater effectiveness but for greater fundability.”

If a grantmaker’s responsibility is to ensure they are generating as much community benefit as possible, having compliance overrule merit is counterproductive.

That seems almost too obvious to note, but survey and review after survey and review (including the review conducted last year by the Audit Office of New South Wales) calls for red tape to be reduced.

### USING INFORMATION, COMMUNICATION AND TECHNOLOGY TO YOUR ADVANTAGE

Jacquie Thomson found that developing a new IT system to manage the Lotterywest grants program provided an opportunity to streamline work processes.

“During the planning and blueprinting of our new system, we’ve maintained a strong focus on our funding principles to ensure we don’t throw the baby out with the bath water,” she says.

For its part, Port Macquarie-Hastings Council is considering implementing the Australian Institute of Grants Management’s SmartyGrants grants management product. You can read about SmartyGrants on page (??).

With new procedures and possibly a new IT program in place, a grantmaker has a terrific opportunity to rethink its communication strategies.

Internally you can create a much clearer understanding of the work that you do, and externally you can share your new-found energy and inspiration with the community, making them aware of opportunities and showing your stakeholders (ratepayers, for example) just what their dollars are achieving. ✖



Maya Spannari



Jacquie Thomson



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