

GRANTMAKING MANIFESTO

manifesto (măn'ə-fēs'tō) noun:

Clear and conspicuous declaration
of intent, policy and aims



aigm | Australian Institute
of Grants Management

An enterprise of:



ourcommunity.com.au

Grantmaking Manifesto

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GRANTS: THE BACKGROUND

Grants make up a large and growing part of the Australian economy.

Approximately a fifth of state and federal government expenditure is in the form of grants – grants to welfare agencies and community groups, grants to businesses, research grants, or miscellaneous grants. The national government, the eight states and territories, 700 cities, towns, municipalities and shires, and their innumerable departments and agencies are almost all involved in grantmaking. Philanthropic bodies add variety and independence, while local government authorities and community foundations provide the bulk of grassroots grants.

The Our Community *EasyGrants* database is currently tracking around 3000 grants programs. Every one of those programs is designed and administered by a person working as a grantmaker – we believe there are at least 1000 of them across Australia.

WHY A MANIFESTO?

The proportion of government spending directed to grant funding has been rising steadily for 20 years and can be expected to continue. Governments want to steer, not row; increasingly, wherever possible they choose to pass their direct responsibilities on to other organisations.

Governments believe – in the main, correctly – that not-for-profit and business groups with closer connections to the community will deliver desired outcomes more effectively than bureaucrats can; often with increased flexibility, stronger motivation, greater responsiveness, more sensitivity, deeper commitment, and lower wage rates.

However, good outcomes are not guaranteed, and countless auditors' reports have shown that billions of grantmaker dollars have been wasted on projects that did not work or whose lessons were not heeded. Common problems include poor program design, inadequate technical and administrative systems, and too much outside interference with grantmaker autonomy.

Facing all these challenges, grantmakers must be accountable, efficient, and effective. Good grantmaking requires professional grantmakers. It's not something that can be handed over to those whose excellence lies in other areas. An artist is not necessarily a good arts grantmaker; a scientist is not always the best person to handle research grants.

As the total grantmaking sector increases, the boundaries between the different sectors – government grantmaking, philanthropic grantmaking, commercial grantmaking – have been blurring, and those borders will be blurred even more as grantmakers and grantmaking practices become more portable. The common elements of grantmaking operations (as documented in the Australian Institute of Grants Management's *Grantmaking Toolkit*) are increasingly evident.

It's time to acknowledge that a good grantmaker brings to the task a specific set of skills and a considerable body of knowledge.

Good grantmaking contributes in meaningful ways to the creation of a fair, just, democratic and prosperous society. It does so by serving the public good, not private interests, and by employing practices that help organisations achieve their missions most effectively. At its best, grantmaking also strengthens democracy by responding to the needs of those with the least wealth, opportunity and power, while catalysing economic and social reforms.

WHY US?

The Australian Institute of Grants Management, a division of Our Community, has for the past decade been at the forefront of innovation in grantmaking in Australia.

As well as producing the country's only cross-sector best practice grantmaking publication, we also convene and coordinate a number of grantmaking affinity groups and events, and have developed a best practice online grants management system, SmartyGrants, which is streamlining and standardising grantmaking across the country. ▶

We are active in seeking and documenting best practice lessons and examples and are codifying what we are learning through our website and our Grantmaking Toolkit.

In addition, we oversee Australia's most comprehensive grants listing newsletter and database, *EasyGrants*, and go face to face with thousands of grantseekers across the country every year through our extensive grants training programs.

This Manifesto lays down our values, principles and beliefs, based on all we have learned about

grantmaking through our considerable work in this space, as well as our individual experiences as grantmakers and grantseekers. We will use this document to guide us in our work to drive professionalisation of the sector. We hope others will find inspiration in it too.

WE WELCOME YOUR FEEDBACK

We are always keen to hear from you. Send your feedback to service@grantsmanagement.com.au 

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 grants programs and systems. Grantmakers should maximise resources by sharing lessons, and seeking and learning from lessons shared by others.

6

2

Australia needs more and better professional grantmakers

The job of grantmaking should be afforded appropriate professional status, training and recompense.

8

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.

10

4

Grantmakers should be efficient

Wastage is indefensible. Skimping on systems, technology and professional staff is equally wicked.

12

5

Grantmakers should be ethical

Grantmakers should ensure that the process of grantmaking is fair, unbiased, and transparent.

14

WE BELIEVE:

1

Grantmaking is an absolutely central element in the Australian economic system

- Every grant dollar should produce the maximum benefit for Australian society.

Every grant should be both efficient (conducted at the minimum cost and in the minimum time) and effective (producing socially and/or economically valuable outcomes).

- Every grant should be based on a coherent and plausible rationale.

The grantmaker should always understand – and should always be able to explain – why they expect each program/grant to work.

- Every grant should be awarded on the basis of clear, transparent, and publicly accessible criteria.

The public interest should be served, and should be seen to have been served.

- Everyone who is eligible to apply for the grant should be given the opportunity to do so.

At a minimum, there should be no restrictions on access to information about the grants program; grantmakers should also seek to advertise their programs widely among relevant communities.

- Grantmakers should be prepared to take risks.

Grantmakers should understand, and be comfortable with, the risks they're taking.

- Every grants program should be given an appropriate evaluation.

Every grants program, however small, should result in a report that is taken seriously. Large grant, detailed evaluation; small grant, quick evaluation (or sampling) – but however small (or large) the grant, someone should collect enough evidence to enable a judgement on whether or not it was a good idea.

- Every grants program should result in shared learnings.

Every grantmaker should be expected to both draw on and contribute to open and available repositories such as data warehouses or knowledge bases such as Grants Management Quarterly.

- Grantmakers should share the findings of their failures as well as their successes.

There's no such thing as a failure, just lessons for others to build on.

- Every grant should be an improvement on the last grant.

Grantmakers should never be satisfied with the status quo: grantmakers should strive for continuous improvement.

WE BELIEVE:

2

Australia needs more
and better professional
grantmakers

- Grantmaking is an art, a craft, a distinct profession. It requires a complex set of skills.

Grantmaking is not a function that anyone can be expected to take on as a trivial addition to their current duties.

- Grantmakers need to be conscious of their professional status and impact.

Grantmakers should demand higher status within their organisations, and an opportunity to contribute at the policymaking level.

- Grantmakers should be held to professional standards, and should be given the tools to hold others involved in the process to the same standards.

Grantmakers should have to sign off on a governance and due process certificate for every grants program.

- Grantmakers should be encouraged and supported to participate in professional development opportunities in grantmaking, including conferences, workshops, short courses, certificate courses, and tertiary sector education.

Existing grantmaker education programs have demonstrated their value. Grantmaking organisations need to adjust their training budgets to allow more grantmakers to take advantage of such opportunities.

- Grantmakers, and their organisations, should follow a recognised code of practice.

Codes of practice guide behaviour and help to increase professionalism. We have included some sample codes as appendices.

- Grantmakers should have a professional body to facilitate creative interactions.

The Australian Institute of Grants Management has assembled a network of grantmakers to build the capacity of the profession.

- We need to know more about grantmaking.

There is a pressing need for more research into how grantmaking is done, and how grantmaking practices can be improved.

- Grantmaking does not operate in a vacuum.

Grantmakers should be conscious of their responsibilities to the profession as a whole and to the wider society.

WE BELIEVE:

3

Grantmakers should listen
to the communities
they serve

- Focus on the outcome, and all else will follow.
Neither grantmakers nor grantseekers should be bound by unjustifiably rigid notions of the 'correct' path to an outcome.

- The relationship between grantmaker and grantee is one of allies and partners, not master and servant.

The power relationship should not be abused, or even assumed: it's not your money, it is their work. The people at the pointy end know what's really happening.

- Grantmakers should match their grant processes and grant criteria to the particular needs of each grant scheme.

Right-sizing means that smaller grants will involve less work for the grantee than major grants.

- Grantmakers should strive for standardisation (within and across sectorial borders) in relation to grant submission, monitoring, reporting, and acquittal.

Standardisation – for which SmartyGrants and the Standard Chart of Accounts provide two excellent models – relieves pressure on grantseekers and permits more efficient use of data.

- Grantmakers should be prepared to fund both innovative breakthroughs and continuing necessities.

Just because something's old doesn't mean it's not worth funding – just because something's shiny and new doesn't mean that it is.

- Grantmakers should be aware that actions often have unintended consequences.

Grantmakers should be conscious of all the outcomes from their projects, not simply the ones that were originally anticipated.

- Grantmakers should consider the sustainability of their grantees.

Grantees are an ally to be supported, not a resource to be exploited: necessary core funding and operating costs, for example, should be seen as a normal part of a grant.

- Grantmakers should be prepared to provide or fund additional support – mentoring, advice, training, assistance with networking – that is necessary for grantees to fulfill their roles adequately.

The role of the grantmaker does not end when the money changes hands.

WE BELIEVE:

4

Grantmakers should be efficient

- Grantmakers should budget for the resources they need to do their job.

Administrative and evaluation/dissemination budgets should include the minimum necessary to do the job right, and not a dollar less.

- Grantmakers should employ properly skilled and trained staff.

Grantmaking is not an undifferentiated administrative function, like photocopying. Appropriate skills should be sought and nurtured.

- Grantmakers should take full advantage of modern technology, and should have adequate technical support.

Grantmakers need to embrace electronic management systems such as SmartyGrants.

- Processes should be streamlined and the information required of applicants kept to a minimum.

Copying and transporting reams of applications to assessment panels is resource intensive and wasteful.



WE BELIEVE:

5

Grantmakers should
be ethical

- Grantmakers should ensure that the process of grantmaking is fair, unbiased, and transparent.

Grantmakers should not simply follow the rules themselves, they should ensure that the system as a whole conforms to its stated policies, and that those policies are transparent.

- Grantmakers should have in place recognised procedures to manage conflict of interest (and the appearance of conflict of interest) through disclosure of interests and/or withdrawal from deliberations.

Clear and enforceable systems should be documented, publicised, and adhered to. The AIGM's Grantmaking Toolkit is an example of a best practice resource for building or improving your grants program manual.

- Grantmakers should respect confidentiality and privacy.

Grantmakers should recognise the creative tension between legitimate interests in both privacy and public scrutiny.

- Grantmakers should clearly articulate – and live – their values and principles.

Rules will never be sufficient by themselves to ensure optimum outcomes; only an organisational culture based on shared values and principles can do that.



Code Of Practice For
**GRANTMAKING
AGENCIES**

For every grants program,

- ***The program should arise from community needs.***

- The objectives of the program should be based on continuing consultation with the target communities.

- The program should respect the contribution and consider the interests of all stakeholder communities.

- ***The program should be properly resourced.***

- The program should be adequately funded at a level sufficient to achieve its designated objectives.

- The program should take full advantage of computerised management systems such as SmartyGrants, and should have adequate technical support.

- The program should seek to employ standardised formats for grant submission, monitoring, reporting, and acquittal.

- ***The program should be properly recorded.***

- All aspects of the justification and rationale of every grants program should be articulated, documented, and made publicly available.

- Policies and processes covering all aspects of the grantmaking program should be documented and publicised.

- The risk profile of the grants program should be analysed, documented, and reviewed periodically.

- ***The program should be just.***

- The awarding of grants should be fair and free from bias, conflict of interest, or any influence inconsistent with the stated decision criteria.

- Recognised procedures should be in place to manage conflict of interest (and the appearance of conflict of interest).

- ***The program should be a partnership.***

- Program funding should cover the full cost of the project, including overheads.

- Where necessary and possible, the grantmaking

agency should provide non-monetary assistance to the grantee.

- Program funding should consider the long-term sustainability of the grantee organisation.

- ***The program should generate knowledge.***

- The program should be monitored and evaluated at a level of detail appropriate to the resources employed.

- The program evaluation should cover the degree to which the program has achieved its stated objectives, any advances achieved in the grantmaking processes, any other significant gains or detriments of the program, and any other significant findings emerging in the course of the evaluation.

- Lessons learned by grantees should be collected and disseminated in an appropriate format to the appropriate audiences.

- Evaluations should be honest, direct, and free of bias.

- Evaluation outcomes should be made publicly available through appropriate media and open and available repositories such as data warehouses or knowledge bases such as *Grants Management Quarterly*.

- ***The program should be staffed by professionals.***

- Adequately qualified and compensated professional grants program officers should be nominated to be responsible for all aspects of grantmaking, including policymaking, governance, the application process, the decision-making process, grant monitoring, and review and evaluation.

- The grantmaker/s entrusted with overseeing the program should at the conclusion of the process be required to sign a certificate certifying that due process had been observed throughout all aspects of the grants program.

- The agency should support adequate professional development programs for its grants officers.

Code Of Practice For
**PROFESSIONAL
GRANTMAKERS**

RESPONSIVENESS

A grantmaker shall respect the work and expertise of their grantees, partners and stakeholders, and shall strive for relationships based on candor, understanding and respect.

A grantmaker shall take into account the interests of the wider community and the grantmaking profession in designing and executing a grants program.

OBJECTIVITY

A grantmaker shall observe policies to address conflicts of interest and do all in their power to ensure that others do the same.

A grantmaker shall ensure that grantee assessment and selection is based purely on published criteria and is without personal or institutional bias.

A grantmaker shall not intentionally mislead prospective grantees.

EFFICIENCY

A grantmaker shall continuously seek to improve the performance of their grantmaking operation based on previous experience and outside information.

A grantmaker shall remember that administration is a cost, not an outcome.

A grantmaker shall not place their own interests above those of the grants project.

EFFECTIVENESS

A grantmaker shall always provide honest and accurate information and advice to their organisation.

A grantmaker shall, to the maximum extent possible, freely share the learnings from their work with the grantmaking profession, the not-for-profit sector, and the wider society.



The AIGM founding leadership team celebrates the launch of SmartyGrants, the best practice online grants management system. From left:

- Charles Gutjahr, Director of Technology Transformation
- Kathy Richardson, Executive Director, Group Transformation & Chaos Controller
- Simon Herd, Director of Grantmaking Reform & Innovation
- Kate Caldecott, AIGM Executive Director
- Denis Moriarty, Our Community Group Managing Director

ABOUT US:

The Australian Institute of Grants Management (AIGM) is a best practice network for government and local government grants managers and grantmakers.

The AIGM is working 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 on 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.

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

- **SmartyGrants** – Australia's best practice online grantmaking system, currently used by more than 50 grantmakers of all types and sizes across the country.
- **Grants Management Quarterly (GMQ)** – plain language publication tracking best practices in grantmaking across Australia and from 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 Knowledge Bank** – searchable, topic-based listing of best practice thinking and case studies.
- **Best Practice in Grants Management Conference** – annual conference for government, philanthropic and corporate grantmakers, including a half-day masterclass for grassroots grantmakers.
- **Grants in Australia Survey** – annual survey of grantseekers tracking the performance of grantmakers throughout Australia.



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