

# Grants Management Intelligence:

## Post-Conference Edition



Australian Institute  
of Grants Management

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The AIGM Grantmaking in Australia Conference was staged in Melbourne on March 23, with the Tribal Gathering for Local Government Grantmakers held on March 24.

The Conference itself was built around the theme of “Knowledge is Power”, with presenters exploring the many ways grantmakers can benefit – and can improve their efforts – by turning data and information into real, useful, knowledge.

The AIGM wishes to thank all those who presented during the Conference and Tribal Gathering, as well as attendees who joined us from across Australia and New Zealand.

We’ve distilled the knowledge, tips and ideas from the conference into this edition of GMI. We hope it provides some inspiration – and insight – you can use in your grantmaking!

## Metrics, data and measuring grant program impact

Counterfactuals? Displacement? Vector to Scalar?

The presentation from MICHAEL WEINSTEIN – senior vice-president of the New York-based Robin Hood Foundation – to delegates at the AIGM Grantmaking in Australia Conference in March certainly challenged funders in their thinking about how the effectiveness of grants can be measured.

Here are some of the highlights:

### On “displacement”:

*“Displacement is when the person we’re helping gains at the expense of someone we’re not helping.”*

Mr Weinstein provided an example of a grant which causes displacement:

“We loan a struggling family \$US1000 or \$US1500 to set up their own business ... and we give the loan to Mary to set up this business in her basement to cut her neighbour’s hair and she does very well. Compared to what she was earning without the loan, she’s doing much better.

“In fact she hires a couple of employees, she expands her business, she’s cutting a lot of people’s hair.

“But what if I told you that another poor person in the neighbourhood – a person whose name is Todd – was already cutting hair of women in the neighbourhood.

“And now all his customers are lost; they’ve all gone to Mary.



**MICHAEL WEINSTEIN**  
– senior vice-president  
of the New York-based  
Robin Hood Foundation

“That’s called displacement and when we collect evidence from the neighbourhood, we have to look at how many pre-existing hair cutters are now going out of business or have lost customers.

“We often will convince ourselves that a micro loan to Mary was useful for fighting poverty. But all her customers came from some other equally poor part of New York; another equally poor neighbour, who has received no poverty funding at all.

“Where Mary was once unemployed and Todd was employed, Mary now has employment and customers, while Todd has lost his. And we haven’t accomplished poverty fighting at all.”

## On “counterfactuals”:

*“Any proposal that comes to us for funding, when we review it, one of the first things we do is make a thorough analysis of what would happen to families that are treated if Robin Hood didn’t enter the game.”*

Mr Weinstein illustrated counterfactuals through the following example:

“One thing we do is fill out tax forms for low paid workers in New York, because there are very generous tax refunds available through the Federal and State tax systems.

“Robin Hood fills out the tax forms for about 60,000 households. We’re filling out 60,000 tax forms and we collect on behalf of those families \$US125 million of refunds. This is gigantic by any standard.

“(But) when I report what Robin Hood has accomplished to my board, I do not report \$US125 million; instead I report the number \$US40 million – less than a third of the total.

“(This is) because my staff estimates that \$US85 million of \$US125 million would have gone to these families even if Robin Hood had never filed their tax form.

“These individuals might have gone to a commercial tax preparer that would charge them \$US100 and fill out their taxes and then recover their refund.

“We think that \$US85 million would have come back to these families if they had gone to H&R Block, or they had gone to a family member to fill out their tax form, or they would have asked some friend or cousin to fill out the tax form.

“\$US85 million of the refund would have been sent out to these families even if Robin Hood went to sleep for the year. And therefore the true impact is \$US40 million.”

## On data’s place as a decision making tool:

*Despite the Foundation’s data-centric methodology, Mr Weinstein warned against relying entirely on data ...*

“Despite all the arithmetic I just threw at you, Robin Hood never makes a grant on the basis of arithmetic alone.

“We don’t just look at different cost-benefit ratios alone. We know a lot about the proposals we fund or won’t fund. We know a lot about the groups that are behind those proposals.

“It is just like Harvard or MIT doesn’t accept students solely on the basis of SAT scores or test scores.

“At MIT they would look at the test scores as useful, as an interesting piece of information that would be taken seriously and could be used to diagnose whether this student would be likely to be able to perform at an MIT level or not.

“So the test scores are used for diagnostic purposes in many ways rather than a single stand-alone measure. (In the same way), arithmetic is not the single determinant of whether we fund a grant proposal or not.”

## About the Robin Hood Foundation

The Foundation’s aim is to fight poverty in the five boroughs of New York. It raises about \$US180 million a year to fulfil that aim.

The Foundation’s board of trustees funds 100% of the cost of running Robin Hood, which means ALL the money from donations goes towards fighting poverty.

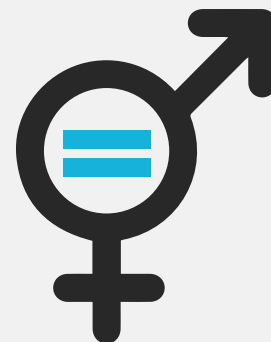
“Every dollar of the \$US180 million that’s donated to us is used to fight poverty in any way the staff deems correct,” Mr Weinstein told the conference.

“And once the staff has made its decision (on what to fund), we then pass it on to the board to approve.

“And because the board imposes no restrictions on the staff, that means we’ve had to come up with a methodology that allows staff to compare any use of dollars versus any other use of the dollars.”

Visit: **[www.robinhood.org](http://www.robinhood.org)**

# Five questions to bring the “gender agenda” into focus



During her presentation to the Grantmaking in Australia Conference, Australian Women Donors Network CEO JULIE REILLY shared five questions that can help grantmakers focus on their program’s “gender agenda”

1. Does the project have clear aims and targets, either for men (or boys), women (or girls) or both?
2. Does the project consciously reflect and take account of the possibly different needs, interests and circumstances of males and females?
3. Is there a satisfactory gender representation on the project management and governance group?
4. Does the project provide a climate and a capacity in which both women (girls) and men (boys) are able to voice their opinions?
5. Are there measures or systems in place to evaluate the impact of the project on both males and females?



**JULIE REILLY**  
– CEO, Australian  
Women Donor Network

Read more about the Australian Women Donors Network at:  
[www.womendonors.com.au](http://www.womendonors.com.au)

**“Metrics matter, but what matters most is the communities we serve. So that guy digging in the community garden, those babies, those young mums – that’s what we’re really here for.**

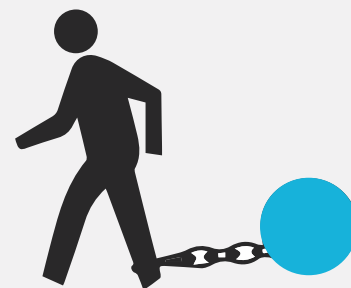
**“On my first day at Todd Foundation 10 years ago, my boss Sir John Todd said to me: “Well really your job is to get out there in the community and find out how we can help.”**

**“I think that’s a really really good positioning for a funder. If we want to help then just try not to inadvertently hinder.”**

Kate Frykberg, Executive Director of New Zealand’s Todd Foundation and Chair of Philanthropy New Zealand at the Grantmaking in Australia Conference 2015. For more, see [page 4](#).



# The “unintended consequences” of grantmaking



Kate Frykberg – Executive Director of New Zealand’s Todd Foundation and Chair of Philanthropy New Zealand – spoke to conference delegates about recognising and addressing some of the “unintended” consequences of grantmaking.

Some of those concepts were:

- **“Funding burden”** – The value of the time in particular, that applicants spend applying for grants and reporting on them.
- **“Net grant”** – The money received by a grantee, less the value of the time they spent applying and reporting.
- **“Net funding”** – The funding we give to the community, less the value of the time our communities spend applying for funds and reporting on it.

To illustrate the issues, Ms Frykberg spelled out a hypothetical net-grant example:



**KATE FRYBERG**  
– Executive Director,  
Todd Foundation and  
Chair, Philanthropy  
New Zealand

You give a \$10,000 grant, it takes 10 hours to apply, 10 hours for the accountability and impact reporting. So if you value that time at say \$50 an hour – the funding burden is \$1000, so that’s 20 hours times 50. Which means the net grant is not \$10,000, it is \$9,000.

But that’s for a successful grantee. If you were not successful, what’s your net grant? It’s going to be negative, in this case it’s going to be negative \$500, because you receive nothing, but the value of the time you spent looking for that grant comes out at \$500.

So let’s take that out and look at a whole funding stream. Let’s say we have \$100,000 to give, we want to give 10 grants of \$10,000 each. We get 100 applicants – not unusual. You award 10 grants.

The net funding for all of those successful applicants is \$90,000. So your \$100,000 funding stream has suddenly become \$90,000. But you then factor in the net funding for those 90 unsuccessful applicants, negative \$45,000. Then factor in the costs of administering those grants, let’s say 10%, another \$10,000.

You can argue that the net funding to the community in this example was \$35,000.

## Seven tips to address the challenges

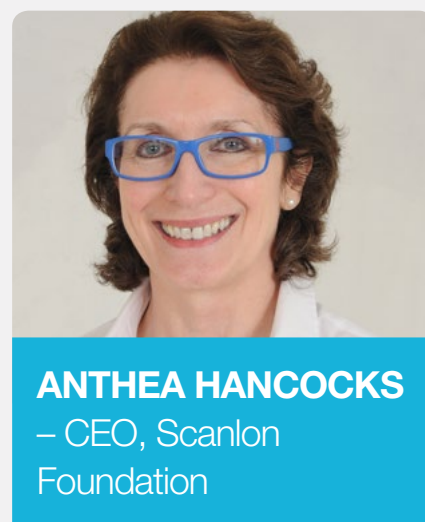
Ms Frykberg outlined seven ways to address the challenges posed by grantmaking’s “unintended consequences”.

1. **Measure how long it takes a grants applicant to compile an application or a report** – If we all know what we’re asking of our community, we can work out whether it seems fair and reasonable.
2. **Stating the burden** – For example, not asking applicants to submit a full proposal unless they’ve got a reasonable chance of success. It’s easier for them, it’s easier for us.
3. **Sharing the burden** – We’ve calculated we spend about 12 hours per full proposal (on assessment, reporting, etc). Applicants spend about 11 putting together that proposal. So we don’t ask people to do anything that we wouldn’t do ourselves.
4. **Proportionality** – If you’ve got a very big grant it makes sense to put people through quite a lot of hoops. For a smaller one, keep it fit for purpose.

5. **Combining responsive and proactive funding** – This is the difference between having an open application or “shoulder tapping”. The easy way of reducing funding burden is to shoulder tap. But “shoulder tapping” has its own drawbacks because it’s dependant on who we, as funders know. It’s actually probably more power than perhaps we should have. A combination of both approaches is a way of balancing this, unless you’re really well knitted into your community and you really know who’s out there.
  6. **Multi-year funding** – it’s easier for grantees – you can’t change the world in a year – and it’s easier for us too.
  7. **Re-using or standardising reporting and evaluation from other funders.**
- 

# Seven keys to success in strategic grantmaking

During her presentation to the Grantmaking in Australia Conference, Scanlon Foundation CEO ANTHEA HANCOCKS provided a helpful set of tips to increase the chance of success in long-term/strategic grantmaking.



## 1. A clear vision, intent and goals:

Have a strategic plan; a strategic idea about where you want to go.

## 2. Flexibility and time:

Grantmakers have to be flexible when they’re thinking about short, medium and long term goals. And they need to have time in order to achieve those long term goals.

## 3. Intentional learning through practice:

The fact that grantmakers are overseeing grants over multiple years doesn’t just mean they’re really generous, it actually means that they as organisations need to learn the impacts of what’s happening – whether or not what they are doing is adequate to achieve the long term goal they’re aiming for.

## 4. Close involvement and leadership:

If you’re working in an area like the Scanlon Foundation is – and people are submitting applications to you because they believe it’s going to impact social cohesion – it’s your responsibility to ensure they understand what social cohesion is, as well as understanding if you think their project will or won’t have an impact.

## 5. Partnerships, co-creation and co-evolution are really important:

Partners are vital for helping funders increase their impact, and for enabling them to achieve the end result they want to.

## 6. Investment, commitment and rigour:

Of course grantmakers need to make the investment; but it has to be a realistic investment for what their expectations are. They have to make a commitment that this isn’t something that they are just going to drop at the moment’s notice.

And rigour – in actual fact there has to be a very professional approach to this. And that doesn’t just mean a grantmaker has installed SmartyGrants and has a process that enables people to submit, with them then going through the evaluations and the sign offs and saying who is successful and who isn’t. There’s more to it than that.

## 7. Be very open to creativity and fresh ideas:

Be open in relation to the process, the delivery and the projects themselves.



# Grantmaker of the Year



Congratulations to our 2015 AIGM Grantmakers – Cynthia Scherer (pictured below on right) and Lesley Lightfoot (pictured below on left) from innovative Geelong-based community grantmaker [Give Where You Live](#).

The pair received their award from 2014 award winner Carley Commens at the AIGM Grantmaking in Australia Conference on March 23

Ms Scherer and Ms Lightfoot share the role of Community Impact and Grants Manager at Give Where You Live, which raises funds and allocates them via three major grants programs:

- Health and Wellbeing Program
- Live and Learn Program
- Survive and Thrive Program

All three grants programs aim to address both the symptoms of disadvantage around the Geelong region, as well as the fundamental causes.

In their award-winning submission, Ms Scherer and Ms Lightfoot said if there was one thing they could change about grantmaking in Australia, it would be to “wave a magic wand” to loosen shackles limiting grantmakers’ impact:

“Grantmakers in Australia are bound in many ways that seem to constrict their ability to have the most meaningful impact. Some of these shackles are ‘hard’ (eg: tax structures) while others are ‘soft’ (eg: perceptions, attitudes, history),” they wrote.

They also suggested “Peer Coaching Circles” to help build professionalism across the sector, and emphasised the importance of information and time when it came to breaking down barriers between different grants sectors – as well as suggesting the concept of crowdfunding as one way to do so.

Read more [here](#).

And keep an eye out for our full Grantmaker of the Year Award Report, which contains a comprehensive look at the ideas featured in Ms Scherer and Ms Lightfoot’s winning application.

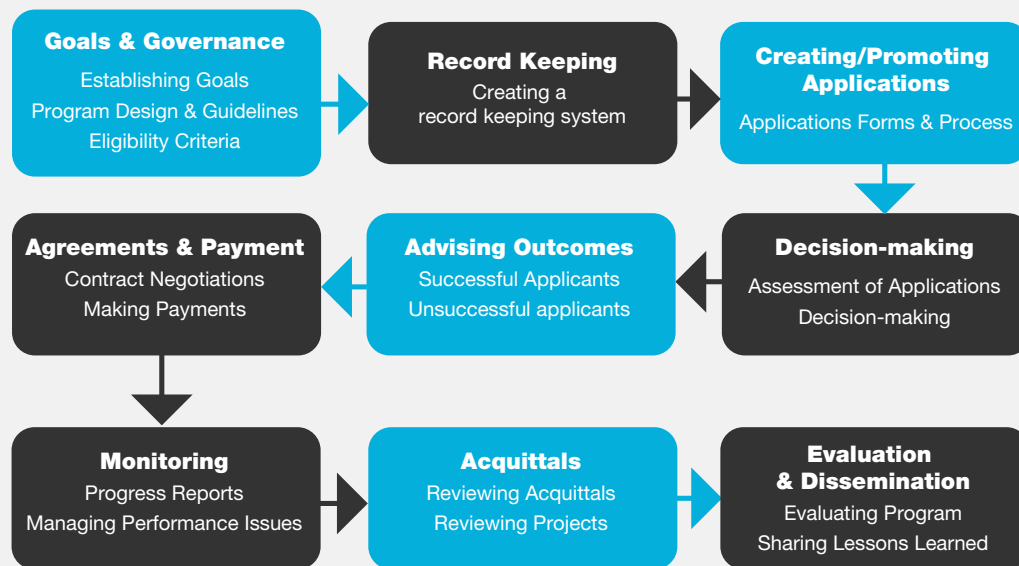
The report will be featured on the [AIGM website](#) very soon.



# A practical approach to a full and transparent audit trail for your grants program

As part of his presentation to the AIGM Tribal Gathering for Local Government Grantmakers, Our Community's PATRICK MORIARTY outlined a series of practical tips aimed at providing guidelines by which local government grant-makers can establish a clear, transparent audit trail for their program.

## You've all probably seen this process:



It's not perfect, but if you follow it, and you record transparently at each step in that process what has occurred, you've got a full transparent accountable audit trail.

If there is a Government Minister or local government councillor sitting on the end of that – and they somehow or other get involved in a process that suddenly gets derailed between one of those steps – it's going to be easily cited and penalties are applicable for breaches of conflict of interest. Even at local government level.

## Tips

- Ensure there are required rules set for each grant – clear, transparent and accountable rules.
- Have clear policy and procedures in place.
- Follow the policy and procedures that are in place.
- Wherever you can, think DITA – disclosure, independence, transparency and accountability.
- Comment and report in each step of the audit trail. If independent assessors comment and make recommendations – and then the council doesn't make recommendations based on those – it's obvious.
- And if all else fails, whenever you see the potential for someone to cause issues, you might just want to remind them that “this is a fully transparent and accountable process” and “where they're not going to follow recommendations, there will be – at some stage in the future – someone who is going to be interested in what has happened”.



# Grants Program Review – Seven tips from City of Sydney's Sarah Foxe

1

## Set your objectives

Determine early on the objectives and what you wish to achieve from the review. And don't limit yourself – if you need a full 12 months for a review, take it.

2

## Choose your methodology

Ensure you are not just talking about budgets and activities. Be clear on the methodology you are going to use for the review, and look beyond just “budgets” and “activities”.

3

## Build in evaluation at the start, not the end

Building in evaluation at the start actually makes your life easier. Don't just do it at the end.

4

## Be consultative

And consult both internally – within your organisation – and externally as well.

5

## Allow time for stakeholder input into the process

It can be difficult for people like high level managers, executives, etc, to provide input if the process is a short one. You need to allow time for people to provide input.

6

## Systems to support the changes

It is not just about making changes through the review. You need to have the right systems in place to support what you are doing.

7

## Be prepared - good communication and implementation strategy

Work on these as you are working on the policy. How are you going to communicate your changes? And how are you going to implement what your review finds?



These tips are drawn from SARAH FOXE'S presentation to the AIGM Tribal Gathering for Local Government Grantmakers.

### Michael Weinstein at the Grantmaking in Australia Conference 2015 - On wasting money:

**“I regard it as unconscionable if we were to waste the dollars of our donors, because wasting dollars means that we're spending them in the wrong place and we can help poor people more if we spend these dollars more wisely.**

**“And so to prevent that kind of unconscionable, lazy, wrong behaviour, we had to come up with a methodology that tells us which uses of our dollar are better than other uses.”**





# Think Differently: Ideas that change communities

Communities in Control | Melbourne, May 25 & 26, 2015

[www.ourcommunity.com.au/cic2015](http://www.ourcommunity.com.au/cic2015)

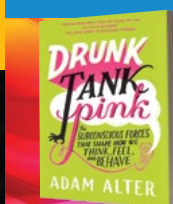


## Featuring:

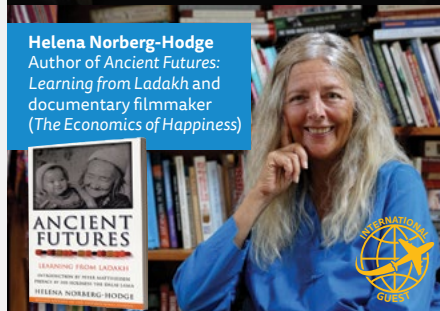


**Lieutenant Colonel USMC (Retired) Dan Mori**  
Author of *In the Company of Cowards: Bush, Howard and Injustice at Guantanamo*

**Assoc. Prof Adam Alter**  
Author of New York Times Bestseller *Drunk Tank Pink*



**Clementine Ford**  
Contributor to *Destroying the Joint - Why women have to change the world*



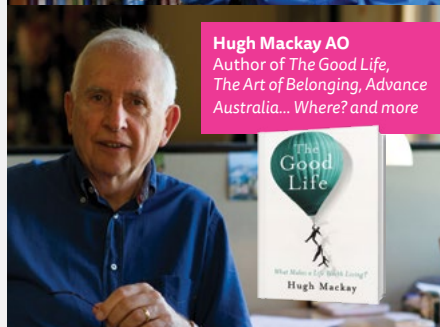
**Helena Norberg-Hodge**  
Author of *Ancient Futures: Learning from Ladakh* and documentary filmmaker (*The Economics of Happiness*)



**Denise Scott**  
Author of *All That Happened At Number 26* and *The Tour*



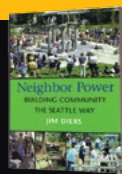
**Virginia Trioli**  
Author, television presenter, multi-award winning journalist



**Hugh Mackay AO**  
Author of *The Good Life, The Art of Belonging, Advance Australia... Where? and more*



**Dr Jim Diers**  
Author of *Neighbor Power: Building Community the Seattle Way*



**Christine Anu**  
Singer/Songwriter



**Dr Gregory Phillips**  
Lecturer, Aboriginal health, Monash University; Author of *Addictions and Healing in Aboriginal Country*



**Barnaby Howarth**  
Filmmaker, survivor, fighter, motivational speaker

Join some of the brightest minds and thought leaders from around the globe, and see what it means to **Think Differently.**

**Communities in Control**  
Melbourne, May 25-26, 2015

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