Grants Management Intelligence

Hot topics for grantmakers

Edition 2, June 2017

Survey sparks grants 'to do' list

Being a good grantmaker is no easy task. It means being entrusted with someone else's money, and it means shepherding those funds into having the biggest possible impact.

At the Australian Institute of Grants Management, we aim to help.

Fortunately, we're able to draw from the nation's pre-eminent experts in the field of grants management — you — to bring you practical and tested methods that could make the difference.

In this edition, we draw on several "hot spot" conversations from the Grantmaking in Australia Conference 2017. Many of you will have engaged in the event's debates on the biggest issues in the sector. This edition of *Grants Management Intelligence* brings you everything you missed, and more.

Speaking of which, here's a top ten to-do list based on fresh evidence from our *2017 Grants in Australia* survey, a study that surveyed 1227 of the nation's grantseekers. Watch your inbox for the full findings in the coming weeks.

Findings: What grantmakers must do now

1. Reduce the number of un-submitted forms
2. Provide grants for core costs
3. Provide multi-year grants
4. Pay for outcomes evidence
5. Get your forms online now
6. Improve your form functionality
7. Improve your form design
8. Don't ask for it if you don't need it
9. Don't lock out small groups
10. Provide more and better feedback

Each one of these recommendations is based on hard evidence showing how you can reduce waste and inefficiency, and increase impact and productivity.

Turn to page 10 for more details.

In this issue

How the Army is turning grants defeat into victory

IN every survey we've ever done, grantseekers have said the most annoying thing about applications is a lack of, or poor, feedback from grantmakers.

Grants surveys over more than 10 years have repeatedly highlighted pleas from grantseekers for details about why they had failed to win a grant. They are often instead left frustrated by unhelpful generic responses.

While things have improved, an astonishing 46% of grantseekers surveyed in 2016 still rated grantmakers as "bad" with feedback.

On the plus side, some agencies have been working hard to improve their performance, with excellent results, and were happy to share their experience at the feedback "hot spot" session at this year's Grantmaking in Australia Conference.

Quick takeaways

- Encourage assessors to use criticism in terms you're prepared to share
- Consider providing applicants ways to improve their future pitches
- If you're using SmartyGrants, use the grants management tool's assessment forms to record assessors' comments and the reports and mailout functions to generate feedback for applicants
- Be prepared to take on internal politics and senior managers to push for better feedback

Helping applicants improve their pitch

One organisation you'd rightfully expect to have a strong focus on learning from the past would be the Australian Army History Unit, which provides grants for historical projects as part of its work.

The unit's Dr Andrew Richardson said grants funds were not always fully spent in this specialist field. He said better feedback meant improving future applications, and more satisfied grantseekers.

"Despite our long turnaround times for assessing grant applications, we've had people actually ring back and thank us for our feedback. That's as a result of our structured responses."

That approach includes providing a template for assessors. They then can provide rejection letters that include detailed suggestions about how grantseekers can improve future applications.

The Australian Army History Unit says providing feedback raises the standard of applications.

The agency has the advantage of employing assessors highly motivated to be involved, such as university lecturers, who volunteer their expert time.

"We employ two assessors for each application and provide detailed responses, including specific suggestions about how they could frame future bids," Dr Richardson said.

Use the tools at your disposal

One delegate noted that the SmartyGrants system allows this very kind of note-taking and commentary. It allows internal notes to be separated from the official statements sent to grantseekers.

Another grantmaker described how they had introduced a new "standard field" into their SmartyGrants system title "final assessors' comments". This summarised the views of three separate assessors into a single paragraph.

Those responses were available to both successful and unsuccessful applicants, and were presented simply: "Below is a summation of what the assessors wanted to say to you." ▶

Dejected about rejection

Despite the plethora of evidence that the provision of feedback benefits both grantseekers and grantmakers, many grantmakers continue to be bound by old methods of doing things, producing standard rejection letters written as "weasel words", as some put it, aimed at giving away little about organisational rationale.

"Our letters are sent out with the standard generic line about there being 'too many high quality proposals etc.',' one delegate said.

Despite being charged with handling applications, many remain in the dark about management decisions to avoid putting reasons in writing, or said it was "just a historic thing".

Inviting rejected recipients to "please call the grants team for further information" often meant inviting difficult phone calls where administrators had to justify decisions they hadn't made.

That is reason enough for some to reform the process.

But sometimes not revealing reasons to grant recipients was also to protect rejected grant recipients from unpleasant assessments, some "so brutally honest that it wasn't constructive".

Steps toward better responses

Most in the group agreed a combination of actions was needed for improvement, with suggestions including:

- adjusting assessment forms to provide space for feedback;
- publishing details of successful projects;
- alerting assessors to the fact their comments would be used in responses, ensuring appropriately worded comments are made;
- to consider using professional assessors in applications;
- facing the challenging task of engaging in the political battle for a change in culture; and,
- seeking greater transparency in assessment, which could include discouraging elected officials becoming de facto decision makers, through chairing assessment panels for instance.

Good, early communication is key

One community development team received far more positive reviews about its grants after ensuring community groups contacted the council before applications.

Where previously in one round 40 of 120 applicants were ruled ineligible, that figure was now far more manageable, and the council had committed to assisting with applications.

Another authority, working with a very diverse community, had similarly reached out to help groups before they applied.

The Australian Army History Unit is all about better results. Picture: "Fuzzy Wuzzy Angel" Raphael Oimbari helps Australian soldier George "Dick" Whittington after the Battle of Buna-Gona at Christmas, 1942.

"A lot of groups come to us with ideas, including refugee groups who don't necessarily have the ability to lodge these applications. We try to engage them to discuss their purpose, and develop those ideas, with the general goal of spreading the money."

Army drops defences, improves feedback

After the hot spot session, we contacted the Australian Army History Unit to learn more about its research grants program, and the reasons for its strong focus on feedback.

Q. What advantages have you found from providing better feedback?

A. There are two major benefits. Firstly, applicants are fully cognisant of the reasons why their grant application was or was not supported. If applicants understand the deficiencies, they can improve future applications, leading to an overall higher standard of application. Secondly, detailed feedback makes the decision making transparent, which protects the integrity of the grants program.

Q. What could other grantmakers do now to improve responsiveness?

A. Grantmakers could improve their responsiveness to grantseekers by keeping them informed of their grant program's processes. ▶

They can also provide clear guidance that explains the rationale of the assessment panel in adjudicating which applications are worthy of grant funding.

Q. Do you have special reasons for being open to feedback?

A. The unit adopted and expanded on the feedback provided after receiving positive responses from unsuccessful applicants. Applicants generally appreciate feedback which can help them improve their projects. Constructive feedback can also alleviate some of the disappointment felt by not receiving a grant. The general philosophy of the Australian History Research Grants Scheme is to assist all grant applicants in improving the quality of their applications and research projects (and) improve future applications.

Q. Give us an example of how feedback has delivered results.

A. A good example of the positive outcomes from offering feedback, is in the award of a grant to one applicant who submitted a solid application that promised to provide useful information for the Army. Initially, the assessment panel did not award a grant. The assessment panel felt the applicant needed an adequate comprehension of the German language to work with German records.

This point and others were communicated to the applicant, at the time of his unsuccessful application.

A year on, the applicant successfully re-applied, having gained the language skills, and subsequently completed research in German archives. That led to a ground-breaking PhD thesis, also expected to form the basis of a book, and provide the Army with an authoritative new history.

MORE RESOURCES

Website: Australian Army History Unit
https://goo.gl/eSkwQA

Review process: Army History Research Grants Scheme
https://goo.gl/zD3FcH

Help sheet: Providing meaningful feedback
https://goo.gl/4F2Vde

Top tips: Ten steps to a great feedback process
https://goo.gl/b6acFV

Research: Feeback failures highlighted in surveys
https://goo.gl/0gUsVv ■

Think outside the box

AN Australian Institute of Grants Management study shows that 27% of grantseekers found their acquittal or final report to their grantmakers helped them refine their own work.

It shows there's great potential to do more with your acquittals process — and create a bigger impact — without making reports onerous for those you're trying to help.

At this year's Grantmaking in Australia conference, we hosted some keen grantmakers at a table hot spot on the issue. We've brought you some of their solutions here, and added a few of our own.

Plan well, frame your questions well

We all know that it pays to do your homework before you lay out your acquittals process.

In our frank discussion, key things our delegates raised included starting your process with the end in mind.

Consider what success means for the project, including how it meets your strategic plans.

This may require doing a better job of documenting what "change" or impact you expect from your grant program. Ask yourself: "What am I trying to achieve as a grantmaker"?

What kind of conversation do you want with recipients? Delegates at network drinks ahead of the Grantmaking in Australian 2017 conference. Picture: Matthew Schulz

Examine your planned outcomes, then ask for actual outcomes achieved from a project.

To that end, ask for responses that show how a project has delivered. Connecting your questions to what's actually delivered means you'll be able to track results against your stated measures of success.

Know your audience

Be flexible and appropriate with your reports, and ensure they properly reflect the purpose and intended focus of your program.

For starters, consider the value of your grant. For $1000, you shouldn't be expecting your recipients to be jumping through hoops. The acquittal should be proportional to the size of a grant.

Reports should reflect — and take advantage of — your recipients' skills and abilities, for both of your sakes.

That could include the use of video, multimedia, sound recordings, photographs, infographics or performances.

Performers, for instance, might struggle with a Q&A, but shine with a creative report — such as a well-produced recording of their show.

If your grantees have an ecological project, before and after pictures of their groundwork and results could prove to be better evidence of work than any written report.

Consider verbal reports with some groups. This could involve a phone or face-to-face conversation that logs progress mid-grant, and feeds into a final report.

Create the space for improvement

Consider reports as a "feedback loop" that help recipients improve performance over time.

This can require "adaptive management" that monitors different phases of a project, and leaves room for intervention if needed.

Progress reports give you the chance to monitor how things are going before a program finishes. This could alert you to possible problems, such as underspending, which may indicate your grantees need help.

Improvements can be a significant benefit in multi-year programs where reports can affect future years.

Grantmakers should also allow for "failure" in acquittals, in the sense that reports should give room for recipients to explain what they would do better or differently if they could start again. ▶

*Listening to your grant recipients can pay dividends.
Picture: Ellen C Anderson/Flickr*

Again, this creates the opportunity for greater success in future.

In the same vein, effectively using grant reviewers and assessors can provide useful feedback both to your grantmaking team and to your applicants.

A few more tips we prepared earlier

(Find these suggestions and more on the AIGM website)

- You can use the acquittal process to get to know your grantees better. Include a question about their biggest challenges in the past year – or their biggest successes. The answer needn't have anything to do with the project you funded. This is about building the relationship and understanding context.
- Be aware that red tape has a disproportionately large impact on the smallest organisations.
- Send grant applicants information about acquittals when you accept applications, so that they know what to expect and can gather information as the project proceeds.

- Use reports in program evaluation and refer to them when you receive applications for further funding.
- Reports can help you to discern trends. You can keep track of the number of applications and grants in a particular interest area, the number of grants to a particular organisation, the success of those grants, and whether the money being spent is in proportion to community participation in the area of interest in question.

MORE HELP

Help sheet: Keep track with your acquittals
https://goo.gl/Qdexhm

Help sheet: How to make use of standardised acquittals
https://goo.gl/l1IxGw

Well designed: Make acquittals work for you
https://goo.gl/xd717K

Resources: More tools on the AIGM site
www.aigm.com.au/aigm/tools/ ■

🔊 Socialising

Tweets tap into sector's knowledge

This year, we tweeted our grantmaking conference live, to share some of the tricky lessons and observations. Check out these top tips.

AIGM
@AIGM_news 🇹

First #grantmaker tip of the day: "Be prepared, and organise your data early." - Holly Cowan, Wakefield Regional Council #data #AIGM17

🔁 ♥ ↩   2 Mar 2017

Kathy Richardson
@kathyrichardson 🇹

We probably have the resources we need to create the changes we seek, we just need to learn how to allocate them better #aigm17

🔁 ♥ ↩   2 Mar 2017

AIGM
@AIGM_news 🇹

#AIGM17 tip no.427: Equity Trustees' Emma Pritchard says "remember to breathe" when you're doing your grant evaluation. #grants #grantmaking

🔁 ♥ ↩   2 Mar 2017

▶

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Our @kathyrichardson getting 'Classie'. "We believe there's so much to gain if we're all speaking the same language" #classie #AIGM17

2 Mar 2017

AIGM
@AIGM_news

Q: How do we ensure we're scoring the project, not the application? A: Write your criteria so the application is the project #AIGM17

2 Mar 2017

AIGM
@AIGM_news

Overheard @ #AIGM17 "We were ready in April, but we're still waiting for the minister in November." #frustration #grants

2 Mar 2017

AIGM
@AIGM_news

From @dfat Glenn talks top tips for avoiding grants trouble and responding well to applicants' questions when they want feedback #AIGM17

2 Mar 2017

AIGM
@AIGM_news

Overheard @ #AIGM17: "You need to put spirals in your feedback loops." #feedbackception #loopdeloop #goodpractice #grantmaking

2 Mar 2017

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Kylie of QRAA on what she wants from #AIGM17: "To open our minds to outcomes-based grants programs, and better ways to measure success."

6 Mar 2017

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Thank you to all of the delegates at our Grantmaking in Australia Conference on Friday - hope to see you next year! #AIGM17 @ OurCommunityAU

6 Mar 2017

What grantmakers must do now

InnovationLab

EARLY analysis of the latest Grants in Australia Survey, commissioned by the AIGM's Innovation Lab, shows there are plenty of things you can do right now to improve your grants process.

From slashing the number of applications that are left incomplete, to adding core grants to your arsenal, many of the actions listed below will be difficult, but we have the evidence to back up the need for this call to action.

The survey, the biggest of its type in Australia, is part of an ongoing research project that charts the development of the field of grantmaking in Australia from the grantseeking community's perspective.

Rightly, we're giving you, as institute members, these lessons first.

The full survey results are expected to be released in weeks.

This year's survey, the ninth since 2006 and drawing on the views of 1227 grantseekers across the country, has undergone a major overhaul to cement its status as the most comprehensive overview of the grantmaking sector available.

Those changes have been driven by data scientist Joost van der Linden, using improved methods and new programming tools to interrogate survey results gathered over four months to February this year.

"We've always had this data, but these techniques mean we've got much greater value from the information," Mr van der Linden said.

For example, we've been able to examine the large number of grants applications left unfinished and to compare this information across different types of organisations.

The production of this list of top 10 takeaways reflects Our Community's aim of ensuring that the data we collect is not just interesting but useful.

We will be sending a special bulletin to AIGM members when the full survey is available, but you'll note that many of the same topics are covered in this edition of *Grants Management Intelligence*.

Our Community's data scientist, Joost van der Linden, is making more of our data.

📋 1. Reduce the rate of un-submitted forms

FINDING: Not-for-profit organisations are wasting a huge amount of time on applications that they start but they don't submit.

A total of 54% of grantseekers we surveyed said they'd started an application in the previous 12 months that they didn't end up submitting.

Not all of this is the fault of grantmakers – many grantseekers just ran out of time – but you can play a part in bringing down this rate.

ACTION: Audit your processes to help reduce the number of grantseekers who waste their time starting applications that they don't complete.

- Ensure your program is open for long enough to give grantseekers time to plan and complete the application process. Factor in time they may require for board meetings and approvals.
- Ensure your guidelines are clear, comprehensive, and readily available.
- Insert an eligibility test into the earliest possible phase of your application process.

Read the 2015 edition of GMI devoted to this issue (it includes stats that will help you benchmark yourself against the average for your sector). ▶

2. Provide grants for core costs

FINDING: Grantseekers report that grants for core costs are getting harder to get, despite the reality that not-for-profits can't get by without them.

ACTION: Read our help sheet to find out more about why grants for core costs are so important. If you can't provide grants exclusively for core costs, allow a portion of your project grants to be used for overhead.

3. Provide multi-year grants

FINDING: Multi-year grants are also getting scarcer, grantseekers report, even though not-for-profits say longer-term funding makes them more effective.

ACTION: Consider whether you could make some or all of your grants longer-term or recurrent. Recurrent funding is among the issues discussed in this AIGM article on program design.

4. Provide funds for evidence

FINDING: More than half our respondents believe that grantmakers are putting more emphasis on outcomes measurement, reporting and evaluation, but only 12% of respondents received funding for this purpose.

ACTION: If you're asking your grantees to provide evidence of the outcomes of their funded projects, make sure you're also offering to fund it. (While you're at it, read this article and this article on why most charities shouldn't be asked to evaluate their work.)

5. Get online

FINDING: A majority of grantseekers favour electronic online forms (the preference-switch was fully realised around 2013), yet 31% say the forms they most commonly encounter are PDFs or Word-based.

ACTION: Not fully online yet? It's past time to make the shift. SmartyGrants is an off-the-shelf system that uses electronic forms, and there are others too.

6. Improve your form functionality

FINDING: Our survey uncovered a number of irritants and inefficiencies created by deficiencies in the electronic forms used by some grantmakers.

ACTION: Ensure your forms:

- Allow grantseekers to save their form and return to it later;
- Provide instant acknowledgement that a form has been received;
- Allow users to copy in information from other documents;
- Provide a warning before timing out.

7. Improve your form design

FINDING: Poor form design is hampering not-for-profits' grantseeking efforts.

ACTION: Reconsider the word limits in your forms – they're driving grantseekers nuts – and make sure the forms are logically ordered as well.

The AIGM's 2016 conference included a session that mined grantmakers' knowledge of what makes for a good form. You can read the hotspot report here, while the AIGM's help sheet on application form design is here.

8. Don't ask if you don't need it

FINDINGS: Not-for-profits are largely cash-strapped and time-poor, and really hate being asked for information and reports they suspect are not really needed and never used.

ACTION: Think critically about every piece of information you ask for in every form you administer. Make sure you can explain why you need it, both to yourself, and to your grantees. You might consider providing this information to grantees right on the form – "we use this information to …".

Read this AIGM article on right-sizing your program.

9. Don't lock out small groups

FINDINGS: Large organisations are not just winning large grants, they're scooping up many of the small grants (less than $5000) on offer as well.

ACTION: We're not saying you should rule large grantseekers out of your program (your choice of recipients should be driven by who will best deliver your outcomes), but make sure you're not inadvertently excluding small groups. Read the "hot spot report" from the 2016 Grantmaking in Australia Conference for tips on making your program more accessible.

10. Provide more and better feedback

FINDING: As a field, grantmakers are doing a terrible job of providing feedback to unsuccessful grantseekers. This should come as no surprise – this finding has been coming up as a top irritant for grantseekers since our survey began in 2006.

ACTION: If you think you're a high performer in this area, let the AIGM know how you do it so we can spread the good word. Log on to the AIGM forum and add to the thread.

If you think you're one of the offending grantmakers, follow the forum discussion and/or read this article on why and how you can improve. ◼

Far too many grantseekers leave their applications incomplete.

⬚ Incomplete applications

Get them over the line

Incomplete grant applications remain a big issue across the sector, with the AIGM's most recent Grants in Australia survey revealing at least 54% of applicants have pulled out of a grant application before finishing it.

While it's the responsibility of grantseekers to produce a well-constructed application, here are six things grantmakers can do to encourage higher completion rates. To use an analogy, while you can't make a horse drink, you can sure take the reins and lead it to water.

1. In a lot of cases grantmakers can and should make their eligibility criteria more readily available.
2. Conduct outreach work, particularly with CALD (culturally and linguistically diverse) communities, to make sure they're aware of your grant, and so you can assist them with any problems they have in understanding your requirements.
3. Ensure your application form isn't too complicated. Take the time to review the information you're asking from organisations, and establish whether each question is relevant to the application. If in doubt, cut it out.

4. In 38% of cases, survey participants cited "running out of time" as a reason for non-completion. Allow grantseekers sufficient time to discover your grant, and go through the application process.
5. Send an alert a week or two before the grant deadline to those with unfinished applications. This will remind them to finish up, and give them a chance to ask any questions.
6. Convert to online applications to allow grantseekers to collaborate easily, and to add information quickly. SmartyGrants is AIGM-owned software used by government, corporate and philanthropic grantmakers around Australia.

MORE INFO

Overview: Designing the application form and process
https://goo.gl/9RLs2r

Quiz users: Tool option for SmartyGrants users
https://goo.gl/jkN8Gp

Article: Why applicants are pulling out of applications
https://goo.gl/09Jt7o

The CBF has a focus on capacity building. Simone from Yarra Valley FM with Rebecca Heery from Cystic Fibrosis Victoria

💰 Core funding

Getting to the heart of the issue

Grantmakers remain uncertain about funding core costs with grant money.

At the Grantmaking in Australia 2017 conference, a hot-spot talk about core funding highlighted the lack of agreement about definitions and standards, or even what should be included in core, or operating, costs.

Core costs can include telecommunications, equipment, rent, travel, governance costs, consultation, networking, monitoring, evaluation, staff training and development, research, innovation and invention.

As we've previously said at the AIGM, grantmakers can be reluctant to fund core costs, and many grantmakers explicitly rule out doing so.

Reasons for this vary: the fact that funding core costs is less exciting than innovative projects, outcomes can be harder to measure, grantmakers feel they have less control, or funders may not understand the challenges not-for-profits face covering salaries and other overheads.

It's perhaps no surprise, then, that 43% of grantseekers think core cost funding is becoming rarer.

After the conference, we approached the Community Broadcasting Foundation, which is tackling the issue head on, and in fact is putting more of its funding towards core costs than ever before.

The Foundation's executive director, Jo Curtin, explains the strengths of their grants program.

Q. Why fund core costs?

A. Maybe the question should be: Why not?

If you gave your applicants a magic wand and asked them to wish for a grant, what do you think they would wish for? I bet a lot of them would ask for basic support to keep the doors open, pay the bills, and in some cases to pay staff.

These are the costs that keep volunteers, board members and not-for-profit managers awake at night across the country. Core costs are the hardest to seek support for, because they are intangible, not shiny enough to appeal to donors and funders, and they never stop being needed.

The benefits of providing core support can be huge. Core funding gives organisations some certainty, allowing them to focus on delivering core activities and strategic plans.

Without core funding, accessing grant programs that require the constant invention of "innovative projects" can inadvertently encourage "mission creep". The unintended consequences of funding (and underfunding) projects also creates a project churn cycle, which in turn feeds irregular and insecure staffing, loss of critical organisational knowledge – including key networks and the ability to fundraise. We've found that in unstable organisations, good governance and financial management are the first to suffer, resulting in a nasty spiral of despair. ▶

We know community organisations move mountains.

Consider their overall aims and capacity when considering who to support, and support them in a way they prefer.

Q. What support do you provide?

A. The Community Broadcasting Foundation provides support to community broadcasting stations and sector organisations. The level of support we provide varies from $1000 to contribute to necessary transmission costs for small stations to over $700,000 to support the core operations of the national peak body that champions community broadcasting.

The funding level largely depends on whether we have dedicated funds to support specific programming. For example, we are more likely to be able to provide a higher level of funding support to stations broadcasting ethnic and multicultural programs, or stations broadcasting to provide information to people with a print disability.

Risks to funding core support:

- The organisation might begin to rely on your funding, and withdrawing or reducing core support can spell the end for an organisation that doesn't have multiple funding sources.
- You'll have to work harder to get stories about the impact of your funding from the grantee, and put more thought into how grantees will demonstrate that they met the agreed outcomes, in order to warrant future support.

We heavily consolidated our grant programs this year, from 36 grant programs to three.

Our grants support community broadcasting, so we have a largely defined group of grant applicants, reducing the risks of funding core operations.

Stations we support are required to meet licence obligations, which mitigates some of our risk because it ensures that the organisations we support have strong community participation and a business plan.

Our aim has been to design a process that assists and encourages applicants to build capacity as an organisation. This can include a process that helps them to:

- engage more broadly with their local community;
- increase the percentage of local content produced at their station;
- increase the skill levels of volunteers and staff;
- progress towards self-sustainability through increased revenue streams or reduced operational costs; and,
- improve infrastructure to enable the delivery of programming to the local community.

Nicholas Ivanovic and Hannah Sbeghen from Queensland's 100.3 Bay FM benefit from core funding arrangements. Picture: Sean Smith

Applicants are asked for supporting documents such as strategic or business plans. We also apply priority weightings in assessing regional organisations and for low income organisations, to address inequities in the application process. Applicants seeking salary support must identify whether the role is new or continuing.

What do you cover?

A. Core operational support includes salary subsidies for personnel, radio station transmission site rental and equipment maintenance costs, studio-to-transmission linking and other costs.

We don't cover overseas travel, contingency costs, payment of membership fees, or costs that could easily be met by the organisation providing in-kind support.

How do you measure success?

We are building in evaluation measures relating to the organisation's capacity. As well as narrative reports about the outcomes of the funds, we are collecting data relating to the number of volunteers, staff, members and supporters at both application and reporting stages to track the broad impact across the program.

What are your suggestions for others considering core funding grants?

- Ask your community and applicants for feedback on your grant guidelines
- Speak to your funders about the unintended consequences of only funding projects ▶

Broadcasters from radio 6WR Waringarri. Picture: Annie Wilson

- Make sure you still celebrate core funding announcements and create photo opportunities for donors and key supporters, even if there isn't a "project" to launch
- Don't forget that when you are providing core funding support, you can claim you had a hand in every success of the organisation!

How much is enough? 10%? 20%?

It depends on the organisation and how much funding there is available.

Organisations should be aiming to have diverse income sources, so that they aren't relying solely on your grant, but there are exceptions to that rule in some sectors.

Receiving core funding gives NFPs relief. This gives them the space and time to consolidate their operations.

It allows the chance to strategise, tackle new initiatives on their own terms, and concentrate on good governance.

Think of it as investing in the organisation itself, so that we all benefit from the long term outcomes of successful, robust and resilient community organisations and charities for the benefit of the broader community.
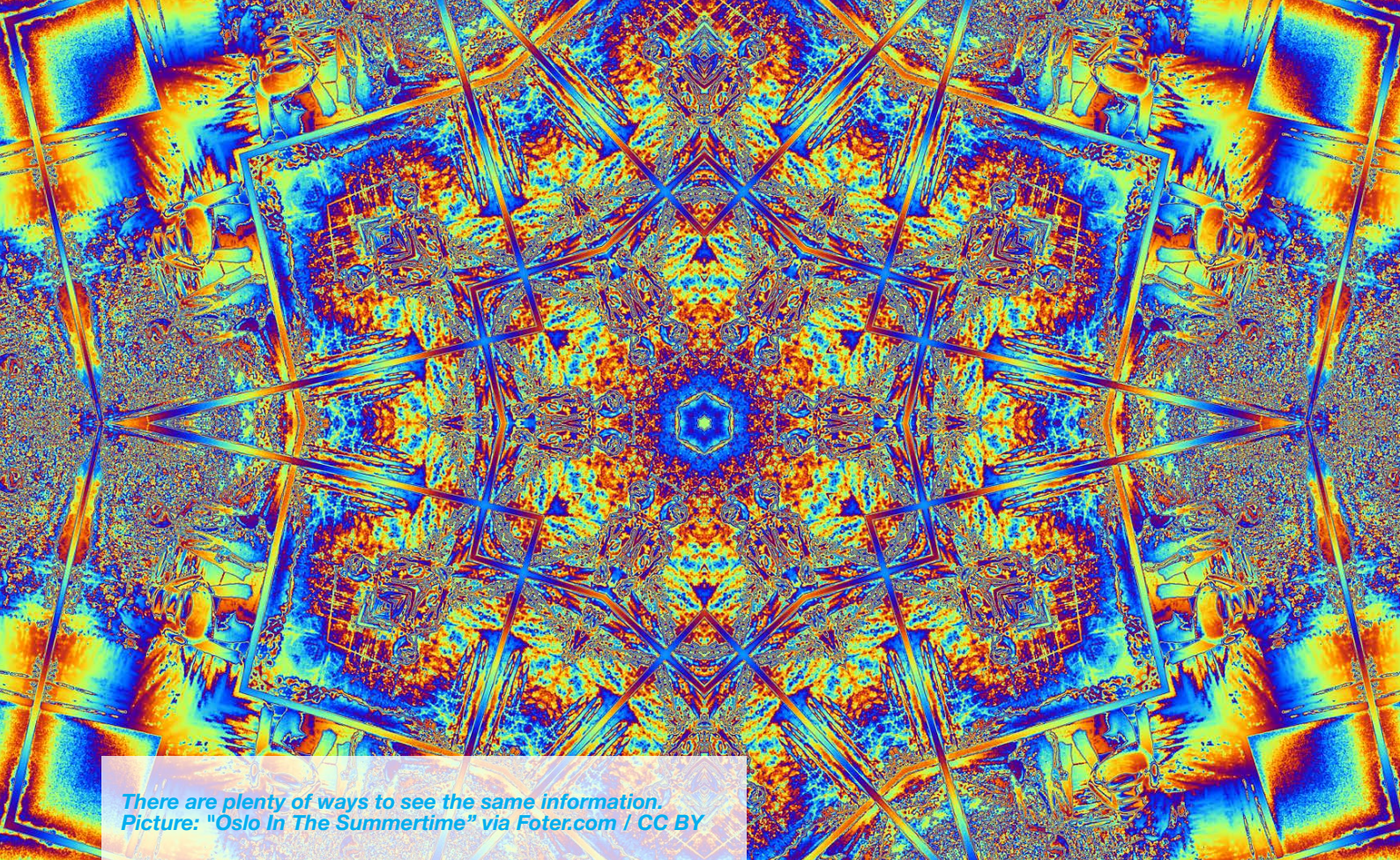
More about the Community Broadcasting Foundation
http://www.cbf.com.au/

MORE INFO

Help sheet: Covering core costs https://goo.gl/zUDKuL ■

GOOD JOBS
GET AHEAD, GIVE BACK

Find your place in the social sector: visit www.goodjobs.com.au

❚❚❚ Data

Using CLASSIE's categories

We all know data can be a powerful tool in making the most of your grantmaking, but only if you organise that data well.

That's why Our Community's Innovation Lab has invested in the creation of the Classification of Social Sector Initiatives and Entities (CLASSIE) data set, parts of which are now available through the AIGM's SmartyGrants grants administration system.

At the Grantmaking in Australia 2017 Conference, delegates were understandably curious about our progress and used one of our hot spot sessions to learn more about how CLASSIE's standard fields could be used to create value from data, and to contribute their own ideas.

Standard fields now available for use on SmartyGrants application and acquittal forms help grantmakers to classify organisations and projects by "subject" (e.g. arts, sport, health) and "beneficiaries" (e.g. young people, refugees, women).

This allows grantmakers to get a better picture – organisation by organisation, or across entire rounds or programs, or over time – of what types of projects and people they are funding.

Use of these fields also allows grantmakers to compare their intentions with their actual funding patterns, as well as to see how well they are meeting demand in each area.

The organisation of data also allows for analysis of funding trends across the field of grantmaking (or within grantmaking sectors), as well as underpinning data initiatives that join up grantmaking trends with those seen in personal giving and other areas of not-for-profit activity.

To that end, CLASSIE is also being used across other Our Community platforms, including GiveNow, GoodJobs, the Funding Centre's EasyGrants Database, and the Institute of Community Directors Australia's Board Matching Service. ▶

Target your help

At the conference hot spot we discussed how organisations were already slicing and dicing their grants data. Many were already classifying the beneficiaries of their grants, with categories most commonly driven by the grantmaking organisation's history, by its policy documents, by which groups had been identified via census data as requiring the grantmaker's attention, or by a combination of these factors.

Many hot spot participants discussed the importance of being able to count the number of beneficiaries.
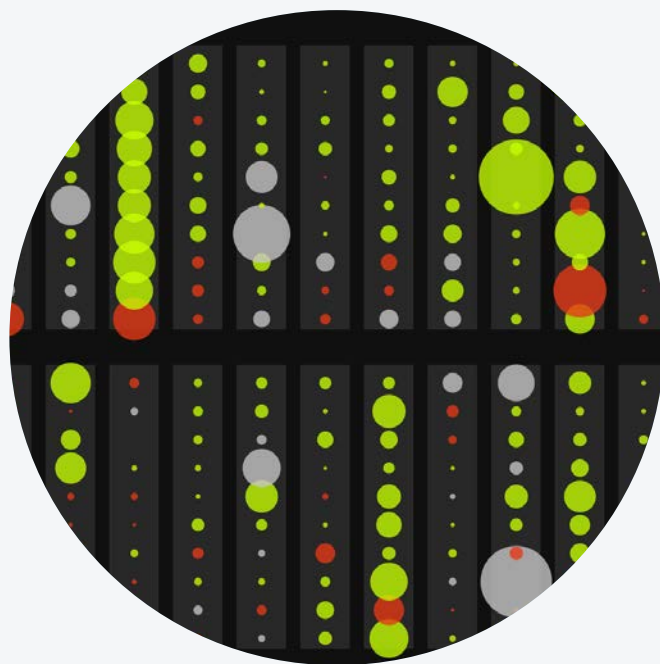
They agreed that while inputs, activities and outputs were relatively easy to capture and categorise, categorising outcomes was very hard — not least because outcomes could be hard for grantees themselves to define.

Reports and benchmarks

Hot-spot participants were invited to identify further uses for categorised data. They suggested that SmartyGrants produce an annual report for each user that would allow them to understand more about their funding patterns, as well as casting their funding patterns against those of other grantmakers.

Benchmark reports could present factors such as:

- timeframes (are we quicker/slower than our peers?);
- success rates (successful vs unsuccessful applicants);
- budgetary benchmarks such as budget size and money returned;

Want to know you're reaching the right groups? That's where CLASSIE can help.

- number of programs/rounds;
- staff to budget ratios;
- number of applications (for "like" grants); and,
- in-kind contributions generated by grants.

Grantmakers said they'd like to be able to compare their own data with that of:

1. Other organisations in their sector
2. Organisations within their sector that are considered top performers
3. Organisations within their sector within the same state
4. Organisations of similar size (i.e. with similar budgets)
5. Organisations giving similar grants (e.g. split by subject, grant type)
6. Organisations serving a similar demographic profile.

We will bring you more developments about CLASSIE in the near future. SmartyGrants users who have started using CLASSIE should also keep their eye out for dashboards, which are due for release soon.

MORE

What, how and why: All about CLASSIE
https://tinyurl.com/y9xyea9k ■

Classifications will help you organise your information. Picture: Carsten/Flickr

Invite groups you know have a proven track record to participate.

:≡ Multi-year grants

Models to reward your effort

By grants consultant Kate Caldecott

Given the complexity of the work we try to do, it's probably not realistic to expect big, hairy, life-changing projects to fit neatly into predetermined 12-month periods.

Multi-year grants allow grantees the opportunity to take on more ambitious projects, to learn and make adjustments as they go, and to be able to focus on capacity development issues like staff training without feeling that they are losing precious time while the clock is ticking.

While those challenges leave some funders unwilling to risk committing to a project for more than a year, delegates at Grantmaking in Australia 2017 agreed that with careful advance planning, you can reduce the threat of finding yourself "stuck" in a project that's not working by building some protections into your program design. Here are some potential structures to consider.

Multi-year grant models

By invitation only

Some funders issue open requests for proposals for annual grants, but run their multi-year grants on an invitation-only basis.

Inviting grantees who have performed well in the past and know your work style and expectations gives you the protection of working with service providers with a proven track record. Newer organisations can be "incubated" instead. This can entail restricting first-time applicants to an annual grant.

Successful groups that demonstrate their capacity to manage a project well can be invited to apply for multi-year funding in more complex projects. ▶

Three-year grants with annual reports

Another model entails providing a grant for three years, but requiring detailed annual reporting. Each report is similar to an acquittal, with a contract requiring targets for annual outputs to ensure progress is being made. Payments can be tied to this.

Option to renew

You can set up your program, so that it is fully funded for the first year, but with grantmakers given the power to "renew" (or not) in subsequent years.

This would require an initial comprehensive application for the first year, then "sub-applications" in subsequent years.

The two advantages of this model are that it allows you to reward good performance, and, it allows you to renegotiate the contract annually to reflect evolving expectations.

This suits organisations whose longer term strategy may change.

Cutting funding mid-cycle if there are problems, however, can cause major difficulties for both parties.

And grantmakers at the hot spot table said none had done that, and instead would avoid handing over the money in the first place.

More benefits of multi-year grants

Aside from being a more realistic way to approach society's biggest and most complex challenges, multi-year grants offer another important advantage: they're an opportunity to build stronger relationships with the community groups and service providers in your community.

Some funders have convened networks of their multi-year grantees. This is a great way to share lessons, deliver training and professional development, and look for opportunities to foster relationships.

If designed correctly, you make it easier for everyone by reducing the number of applications, and reducing the workload over the following years. This gives grantmakers the chance to spend more time on the relationship and less on processing and assessing applications.

While multi-year grants require some careful planning, design and structure, the benefits make it worth the effort.

Multi-year grants can mean more time spent on your relationships, less on assessments.

MORE INFO:

Connections: Tune in to grantseekers
https://goo.gl/9Et9ss

Our study: Push for multi-year support
https://goo.gl/HvvvGz

US comparison: Multi-year grants on the rise
https://goo.gl/rcuYyT ■

Kate Caldecott is a self-proclaimed "grants geek". She helped develop the online grants system SmartyGrants, and is a former executive director of the Australian Institute of Grants Management.

📄 Pre-application briefings

A quick look

Grantmakers have been known to cringe or sidle away when the words "pre-application briefing" are spoken.

The briefings can be cumbersome and a bit of an afterthought, and as our conference hot spot delegates agreed, there's no point briefing for its own sake. But a well-conducted session can do wonders for boosting the number and quality of your applications, and allow for valuable feedback.

The key is to be clear about your audience and purpose. Do you want to:

- promote the program;
- tell people what is in and out;
- tell people about eligibility and assessment criteria;
- develop application skills in the community;
- engage potential applicants and build relationships;
- connect potential applicants or partners; or,
- all or any combination of the above?

Target your information

Pouring resources into pre-application sessions is unwise unless you have clear goals, have tailored the briefing to your audience, and have provided professionally produced documentation.

Consider a two-step process. First consult on the last round and address any problems highlighted in feedback. Then conduct pre-application briefings.

Don't limit yourself. Briefings can be used to call for good ideas and expressions of interest. You also have the option of paying for those good ideas — or issuing seed funding — as a way of sparking increased engagement and providing rewards.

Tailoring to your audience means realising that a briefing for local community groups will be quite different from a briefing to specialists, like environmental groups or those working with prisoners.

Briefing methods and alternatives

Face-to-face briefings are the most resource intensive, but generate the best benefits if run well. If you're using these briefing sessions as a way of seeking public input, or providing unsuccessful applicants from previous rounds with support in their next round, consider a facilitated workshop instead of a general gathering.

A less time-consuming strategy is an online or phone-based helpline. If you choose this route, tell the public that their telephone calls will be limited to 15 minutes.
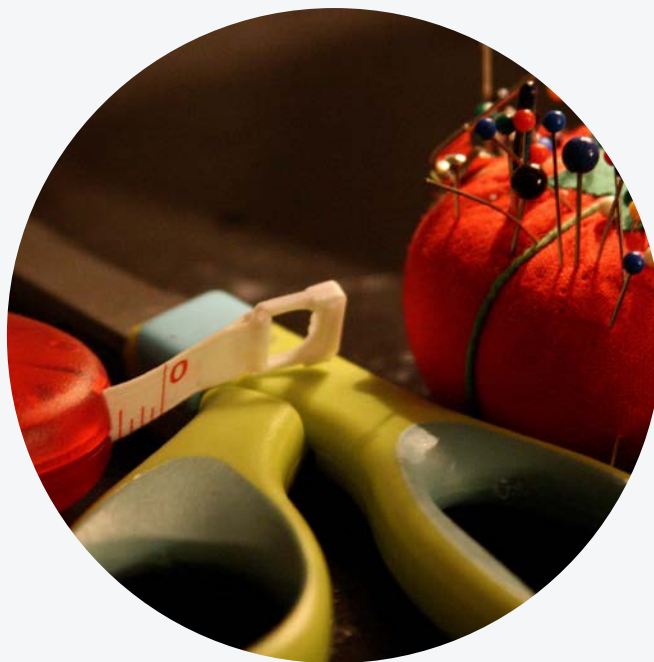
Tailor your briefings to suit your audience. Picture: daBinsi via Foter.com

Advise that you can give general information, but cannot help them fill in the forms. A fast way to exhaust your limited resources is to uncap your time with each applicant.

In some instances you might not do pre-application briefings, and in some cases that is okay.

Alternatives to briefings can include facilitated workshops where a complex program requires more detailed information; sessions for previously unsuccessful applicants to assist them to broker partnerships with people or organisations that can help them next time; and sessions aimed at program review and skill building instead of program information.

If your grant program is more like a procurement program, you might just send out the program information — effectively asking for a "quote". Even so, it's good to set out a strategy for this and ensure you're going about it in a way that's useful for both you and the organisations concerned.

MORE INFO:

Overview: Promoting your program
https://goo.gl/4UhVFR

Scanning: Finding the best targets for your funds
https://goo.gl/Oehinh

Risk, reward: Grantmaking and communications
https://goo.gl/Pui2zg ◼

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