## A MAJOR REPORT OUTLINING THE FINDINGS FROM THE FIRST EIGHT *GRANTS IN AUSTRALIA* SURVEYS







# GRANTS IN AUSTRALIA SURVEY REPORT

Each year, since 2006, the Australian Institute of Grants Management (AIGM) has surveyed community organisations and not-for-profits right across the country for their views on grantmaking in Australia. The Grants in Australia Survey has become one of the largest surveys of its kind in Australia, providing a snapshot of the grantmaking landscape from the grantseeker's perspective. The survey is designed to capture grantseekers' experiences of applying for grants during the past 12 months. Since its inception, each survey has focused on a key theme as well as providing general feedback of grantmaker performance and grantseeker sentiment.

The annual Grants in Australia Surveys present an opportunity for grantseekers to provide necessary feedback to grantmakers, identifying areas where they are performing well and areas where they can improve.

The results of these surveys gives grantmakers the chance to learn more about grantmaking practice in Australia in general, and to reflect on their own performance in relation to each indicator in particular. This report is based on the findings of the first eight Grants In Australia surveys – spanning from 2006 to 2013/14. It provides a summary of these key findings and trends in grantmaking based on the quantitative and, in particular, qualitative results of the Grants in Australia Surveys. Since its inception, the Grants In Australia Survey has gained traction, with over 1000 respondents to the 2013/2014 survey.

And across eight years of surveys there have been clear recurring themes that grantseekers have highlighted.

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# RESPONDENTS BY STATE AND TERRITORY

The Grants in Australia survey samples are slightly skewed by a larger number of Victorian organisations than may be expected, and a lower number of New South Wales and Queensland organisations. Apart from this, the geographic spread of respondents roughly correlates with the distribution of population across Australia.







# SOURCE OF GRANTS

There is no clear trend in the data indicating dramatically increased or decreased reliance on government grants between 2006 and 2013-14. Overall, more than three-quarters of survey respondents said government was their primary source of grants.



# SOURCE OF GRANTS

The charts below (Charts 2.1 and 2.2) highlight the variation in organisations reliance on different types of funding since the inaugural of the Grants in Australia survey.

#### Chart 2.1 – Representation of organisation's primary source of grants over time







Government

Non-Government

# EIGHT KEY FINDINGS FROM EIGHT SURVEYS

Over the course of eight AIGM Grants in Australia surveys, we've provided grantmakers with the opportunity to give valuable feedback about grantmaker performance. While grantmakers appear to be more switched on, more organised and more professional than ever before, our surveys continue to discover and rediscover areas where they can improve. These are the eight most important areas and findings uncovered since the surveys began:

- Improve grantseeker feedback
- Improve discussion surrounding the eligibility and feasibility of a project prior to the submission of a grant application
- **T** Improve online processes and systems
- Streamline the grantmaking process
- Provide sufficient funding for core and operating costs
- Reduce red tape
- 7 Improve communication with grantseekers
- Provide ethical and transparent processes

# IMPROVE GRANTSEEKER FEEDBACK

Grantmakers must provide better feedback to grantseekers on grant applications. As grantseekers spend hours filling out and refining applications, it is incumbent on grantmakers to provide detailed information about how an organisation can improve their application for next time. Grantmakers should provide grantseekers with feedback on their project ideas, the reason for an unsuccessful application and a feedback form so that so that they can receive their

own feedback on how to improve their grants program. As outlined in the chart below (Chart 3.1), grantmakers have shown little improvement over the years when it comes to providing sufficient feedback on grant applications. Despite this issue being identified year after year, grantseekers continue to be frustrated by grantmaker feedback and there remains a clear need for grantmakers to improve in this area. However, feedback is a two-way street, and in order to provide necessary and

appropriate feedback, grantmakers also rely upon grantseekers to provide feedback. The 2013/2014 survey suggests that grantmakers do offer applicants the chance to provide some form of feedback, yet a significant number of applicants do not take up the opportunity. Without meaningful feedback, grantmakers will not have the knowledge they need in order to improve their services.



## **2** IMPROVE DISCUSSION SURROUNDING THE ELIGIBILITY AND FEASIBILITY OF A PROJECT PRIOR TO THE SUBMISSION OF A GRANT APPLICATION

Discussion surrounding the feasibility and eligibility of a project is vital in achieving an effective, efficient and productive grants program. Similar to the importance of providing appropriate feedback to grantseekers, it is essential for grantmakers to improve their discussions with grant- seekers in determining the likelihood of a grants project to receive funding. According to the Grants in Australia surveys, grantmakers are struggling with this aspect of communication and information provision. While it appears there is a trend of slow and gradual improvement, in 2012 (the best year recorded), only 57% of grantseekers reported a satisfactory discussion with grantmakers prior to the submission of a grant application. Although the speed of the improvement is a little worrying, at least grantmakers are moving in the right direction. Grantmakers must continue to ensure that they are having improved and increased discussions surrounding the likelihood of success.

Yes

No

## Chart 3.2 – Discussion surrounding the eligibility/feasibility of a project prior to submission of grant application



# **3 IMPROVE ONLINE PROCESSES AND SYSTEMS**

Online application forms and processes are increasingly in demand. The ability to submit applications online is something that grantseekers want and use. If, as a grantmaker, you're not offering some form of online application process or system, then you are clearly in the minority. Grantmakers must incorporate good-quality online capabilities into their grants application processes. Not only is it important to have good online application processes and systems, it is also important to provide as much online information about the grants program as possible. The chart below (Chart 3.3) highlights grantseekers' preference for an online application process, or at a minimum, for grantmakers to have it provided as an option.



#### Benefits of adequate online application processes as identified by grantseekers include:

- The speed of lodging application forms
- The ability to work progressively on an application form
- Instant acknowledgement of their application being received
- Environmental benefits by saving paper

#### Grantseeker feedback regarding online processes and systems suggests that grantmakers must ensure:

- There is enough room for applicants to provide their answer
- Applicants are able to attach supporting documents, cut and paste from other programs and save the form to allow ongoing completion
- Forms are simplified eliminate repetitive and ambiguous questions and provide sample answers

#### The most frustrating issues that grantseekers experienced with online application systems and processes include:

- Inability to save forms as the application progresses
- System crashes
- Systems that assume there is only one person writing the grant application
- Lack of online support
- Poorly constructed forms that are difficult to navigate

# 4 STREAMLINE THE GRANTMAKING PROCESS

Streamlining refers to the actions grantmakers can take to lessen the administrative burden on not-for-profits and others who apply for their grants. This, in turn, allows applicants and recipients to better use their time to focus on their mission and achieve their aims. From 2006 through to 2011, grantseekers reported that one of their major concerns and annoyances was the amount of time they had to spend filling in repetitive and duplicated forms. However, the 2013/2014 survey found that streamlining was improving amongst grantmakers. Over the last five years:

# **10%** OF RESPONDENTS SAID THAT grant application processes have become MUCH MORE STREAMLINED **31%** OF RESPONDENTS SAID THAT grant application processes have become slightly SIMPLER OR SLIGHTLY MORE STREAMLINED **31%** OF RESPONDENTS SAID THAT grant application processes HAVE REMAINED ABOUT THE SAME

#### IMPROVING AND STREAMLINING THE GRANTMAKING PROCESS HAS SIGNIFICANT BENEFITS FOR GRANTSEEKERS. IT ACTS TO:



Save grantseekers time

Provide accessibility and easier writing processes



Encourage more people and organisations to apply for more grants

While streamlining has improved since 2006, and it is clear that some grantmakers are making significant efforts to make the applications process easier for grantseekers, there is still more room for improvement amongst government and non-government grantmakers. Utilising an online grants management system is the best way to ensure improved and effective streamlining.

## **5 PROVIDE SUFFICIENT FUNDING FOR CORE AND OPERATING COSTS**

Despite the obvious importance of infrastructure such as technology, facilities and staff, grantmakers overwhelmingly prefer to support direct delivery of services or programs. Yet grantseekers continue to express their need for funding of core operating costs and successful ongoing programs. The Grants in Australia surveys from 2006 to 2008 all highlighted grantmakers' reluctance to provide funding for core operating costs and successful ongoing programs. The 2012 survey focused on this issue and the message was the same – grant programs fail to cover core costs. The charts below, taken from the 2012 survey (Charts 3.4 and 3.5), highlight what grantseekers see as funders' inverted approach to providing funding for

groups' core costs. Grantmakers must be prepared to fund both innovative new programs and continuing necessities. Grantmakers should consider offering longer-term grants or funding arrangements, rather than requiring organisations to apply for smaller grants year after year.





Feedback from grantseekers suggests that varying forms of red tape increasingly frustrates them (Chart 3.6). It is important that grantmakers make every effort to make things easy for grantseekers and reduce the amount of red tape involved in the grants application process. Grantmakers should aim to create applications with reasonable and proportionate requirements in relation to the size of the grant. In the Grants in Australia 2012 survey, only 50% of respondents said their application requirements were proportionate to the size of the grant.



Note: Results only include respondents who answered "yes" or "no" to the question, leaving aside those who answered "not applicable".

## COMMON ISSUES WITH RED TAPE IDENTIFIED BY GRANTSEEKERS INCLUDE:



A long delay between the acceptance of funding applications and a decision on funding recipients



Grant application forms that ask for unnecessary or irrelevant information



Grant eligibility requirements which are too restrictive



Onerous reporting requirements once a grant has been acquitted

# 7 IMPROVE COMMUNICATION WITH GRANTSEEKERS

Grantmaker communication is the most common issue highlighted by grantseekers. For this reason, several of the Grants in Australia surveys have focused on the issue. Grantseekers continue to provide feedback indicating that issues with grantmaker communication are many, varied and frequent. Grantmakers must understand that communication, and in particular, customer service is part of the role – it helps to establish an equal relationship. Good communication is a key element to the grantmaker/ grantseeker relationship. Good grantmaker communication includes:



While it appears that grantmakers are slowly getting better at pre-application communication (Chart 5.1, page 19) and have made significant strides towards providing information that is easy to understand and jargon free (Chart 3.7, below), the areas still in need of major improvement include shortening the timeframe between submission and notification of decisions (Chart 5.4, page 22) and providing useful feedback to unsuccessful applicants (Chart 5.3, page 21).



# PROVIDE ETHICAL AND TRANSPARENT PROCESSES

Grantmaker ethics is of the utmost importance – grantmakers should clearly articulate and live by their values and principles. Grantseekers want to feel as though they are given an equal chance at attaining funding as every other organisation. The process must be fair, unbiased and based on merit. While grantseekers have found it easy to find information about a grant program's aims and objectives (Charts 4.1 and 4.2, see page 15 and 16), our 2012 survey showcases their distrust of the integrity of the process employed by grantmakers. Remarkably, only 49% of grantseekers agreed the process was fair, while just 40% felt the process was unbiased and free of conflicts of interest. Only 37% of respondents agreed the decision-making process was transparent and well explained. These are worrying statistics, which highlight a distrust of grantmakers. When discussing grantmaker ethics, we feel it is best to refer grantmakers and grantseekers to the Australian Institute of Grants Management Manifesto (reproduced on page 26 of this report).



#### Ethical grantmakers should:

- Ensure that the process of grantmaking is fair, unbiased, and transparent
- Have in place recognised procedures to manage conflict of interest through disclosure of interests and/or withdrawal from deliberations
- Respect confidentiality and privacy
- Clearly articulate and live their values and principles.

## RESULTS IN DETAIL: COMMUNICATION AND INFORMATION PROVISION

## GRANTMAKERS PERFORMANCE IN PROVIDING ADEQUATE INFORMATION ABOUT GRANTS PROGRAMS

At the Australian Institute of Grants Management we believe that every grantmaking dollar should be used productively – not wasted on poorly designed, poorly articulated, poorly evaluated, or inefficient grants programs and systems. This starts with the provision of accurate and adequate information about grants programs. Grantmakers must ensure that they provide accurate and adequate information about grants programs as it not only acts to save grantseekers time but also, with the reduction of uncompetitive applications, results in grantmakers achieving a more efficient and effective grants program. Over the past nine years our surveys have asked numerous questions relating to the provision of information about grants programs.

# EASILY FOUND INFORMATION ABOUT THE GRANTS PROGRAM'S AIMS AND OBJECTIVES

Information about a grants program's aims and objectives is vital to all grantseekers. The AIGM surveys have provided consistent feedback suggesting that grantmakers are doing a good job of providing the required information about the nature of a grant and the program's aims and objectives.



#### ADEQUATE INFORMATION PROVIDED ABOUT PREVIOUSLY FUNDED PROJECTS THROUGH THE GRANTS PROGRAM

By providing information about previously funded projects, grantmakers are giving grantseekers an idea of the type of projects they are interested in funding, giving a greater indication to grantseekers about their likelihood of success. Our surveys indicated that grantmakers were performing well in this area for a few years before a drop in performance from 2009 – 2011. However, 2012 saw an improvement with similar results to the 2006 – 2008 surveys.



#### PROVISION OF ADEQUATE INFORMATION ABOUT REPORTING AND ACQUITTAL REQUIREMENTS

According to grantseekers responses to our surveys, grantmakers continue to provide adequate information about reporting and acquittal requirements. While there was a drop in the performance of grantmakers in this area from 2009 – 2011, grantmakers got back on track in 2012.



# PROVISION OF CLEAR GUIDELINES AND GRANT APPLICATION FORMS

Providing clear guidelines and application forms is extremely important. It saves grantseekers from wasting time trying to understand how and what to write in their application. Grantmakers continue to perform well in this area with well over 70% of respondents indicating that they have been satisfied with clarity of application guidelines and application forms.



## GRANTMAKERS PERFORMANCE IN PROVIDING ADEQUATE COMMUNICATION WITH GRANTSEEKERS

Grantmakers performance in providing adequate information has, while on the improve, been largely disappointing. While grantmakers can be commended for their efforts in providing appropriate information to grantseekers, the same cannot be said for their communication. The AIGM Grantmaking Manifesto (see page 26) insists that grantmakers should always be striving for continuous improvement. Communication has been identified year after year by grantseekers as an area where improvement is needed. Remember, the relationship between grantmaker and grantseeker is one of allies and partners, not master and servant.

# ACKNOWLEDGEMENT OF RECEIVING A GRANT APPLICATION

Letting applicants know that their application has been received is an easy and necessary step in the grantmaking process. At the AIGM, we feel that this is a fairly simple task and that grantseekers should always be alerted when their grant application has been received. This way they know, at the very least, that the grantmaker will review their application.



#### USEFUL DISCUSSION REGARDING THE FEASIBILITY AND ELIGIBILITY OF A PROJECT PRIOR TO THE SUBMISSION OF A GRANT APPLICATION

Providing a useful discussion and appropriate information to grant applicants about the eligibility of their grant application is extremely important. Not only does it save the grantseeker time by informing them of their chances, it also saves the grantmaker time by limiting the number of applications they have to read and sort through. While grantmakers have been slowly improving in this area, there is still a way to go – for the benefit of grantseekers and grantmakers alike.



Chart 5.2 – Discussion regarding the eligibility/feasibility of a project prior to submission of grant application

Note: Results only include respondents who answered "yes" or "no" to the question, leaving aside those who answered "not applicable".

No

Yes

#### PROVISION OF FEEDBACK ON GRANT APPLICATIONS

This is the most consistently disappointing finding across the all of the surveys. Grantseekers continue to be let down by grantmakers when it comes to letting applicants know that they haven't been successful and why they haven't been successful. While grantmakers continue to slowly improve the feedback provided to grantseekers on the progress of their application, there is still a lot of improvement required – in 2012 only 29% of grantseekers responded that they received adequate feedback on their grant application. The message is clear – grantseekers want to know why they have been unsuccessful so they can improve their grant writing and grantseeking methods.





🕨 Yes 🔵 No

#### PROVISION OF TIMELY CONTACT REGARDING RESULT OF GRANT APPLICATION

Grantmakers must provide timely and effective feedback to grantseekers on the outcome of their grant application. This is a simple task where grantmakers have been performing quite poorly. However, with the employment of an online grants management system, such as SmartyGrants, this is one area that can be remedied quickly and easily.



# AIGM GRANTMAKER CHECKLIST

Good grantmaking requires a thoughtful, clearly articulated grantmaking policy. It requires attention to detail, good communication and an efficient and transparent process. Below is a checklist of what the AIGM believes good grantmakers should be doing.

## **GRANT PROGRAM INFORMATION**

- Provide information about the program's aims, objectives and rationale
- Provide information about previously funded groups and projects by the program
- □ Provide information about program policies
- □ Provide clear and reasonable expected outcomes from the program
- Provide a useful discussion surrounding the eligibility of a project prior to the submission of a grant application

## **GRANT APPLICATIONS**

- Provide clear and appropriate application guidelines
- Provide clear and appropriate grant acquittal requirements
- Provide application forms that are proportionate in size and complexity to the size of the grant
- □ Provide some funding for core and operating costs
- Provide prompt and appropriate notification that a grant application has been received

## COMMUNICATION

- □ Sufficiently advertise a grants program
- Provide useful feedback on unsuccessful grant applications
- Provide contact details for grantmaker staff and program administrators
- Answer and return telephone calls and emails promptly
- Provide clear and consistent information about the program
- □ Provide information that is easy to understand and jargon free
- Grantmaker staff must be competent and professional
- Grantmaker staff must be knowledgeable and well trained



- Provide fair and reasonable timeframes between close of applications and notification of results
- Provide fair and reasonable time for grantseekers to lodge their grant application

## RELATIONSHIP

- Grantmaker/grantseeker relationship should be based on equality and partnership
- Grantseekers should be able to share problems and challenges with grantmakers
- Grantmakers should provide capacity building opportunities to grantseekers

## ETHICS

- Grantmakers should clearly articulate and live their values and principles
- □ The grant application process must be fair
- □ The grant application process must be unbiased and free of conflict of interest
- □ The decision-making process mist be transparent and well explained
- □ The grantseekers privacy must be protected

## ONLINE

- Provide a choice of ways to apply for a grant
- □ Streamline the grant application process
- Provide enough room for applicants to write their answer
- Provide the ability to attach supporting documents, cut and paste from other programs
- Provide the ability to save the form for to allow ongoing completion
- Simplify forms by eliminating repetitive and ambiguous questions provide sample answers



The AIGM is a best-practice network for grants managers and grantmakers. The AIGM works 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 of Our Community, a certified B Corp and 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.

The AIGM's major offerings include:

#### **SMARTYGRANTS:**

Australia's best-practice online grantmaking system, used by more than 3900 grants programs of all types and sizes across Australia and New Zealand.

## **GRANTS MANAGEMENT INTELLIGENCE (GMI):**

The AIGM's member publication, tracking best practices in grantmaking across Australia and all over the world, as well as publishing groundbreaking research on trends in the grantmaking sector.

#### **GRANTMAKING MANIFESTO:**

Framing the drive for reform and professionalisation of grantmaking in Australia.

## CODE OF PRACTICE FOR PROFESSIONAL GRANTMAKERS AND CODE OF PRACTICE FOR GRANTMAKING AGENCIES:

Setting performance and practice standards for leading grantmaking organisations and individuals.

#### **GRANTMAKING TOOLS AND RESOURCES:**

Searchable, topic-based listing of best-practice thinking and case studies.

#### GRANTMAKING IN AUSTRALIA CONFERENCE, GRANTMAKING MUSTERS, TRAINING AND OTHER EVENTS:

Generalised and topic-based conferences, networking events and training for government, philanthropic and corporate grantmakers.

## **GRANTS IN AUSTRALIA SURVEY:**

Annual survey of grantseekers tracking the performance of grantmakers throughout Australia.

For more information about the AIGM, or to join, visit www.grantsmanagement.com.au or email service@grantsmanagement.com.au

# THE AIGM GRANTMAKING MANIFESTO

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.

The AIGM manifesto lays down our values, principles and beliefs, based on all we have learned about grantmaking through our considerable work in this area, as well as our individual experience as grantmakers and grantseekers. We use the manifesto to guide us in our work to drive professionalisation of the sector.

## WHAT WE BELIEVE

# I. 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 systems. Grantmakers must maximise resources by sharing lessons, and seeking and learning from those shared by others.

#### 2. AUSTRALIA NEEDS MORE AND BETTER PROFESSIONAL GRANTMAKERS.

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

# **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.

## 4. GRANTMAKERS SHOULD BE EFFICIENT.

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

## 5. GRANTMAKERS SHOULD BE ETHICAL.

Grantmakers must ensure that the process of grantmaking is fair, unbiased and open.

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**Special thanks:** Our thanks goes to all of those who took the time to fill in the survey. Again, we at the AIGM look forward to drawing on these ideas and more as we push forward in our grantmaking reform agenda in the months and years to come.

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

