

GRANTMAKING OPERATIONS

Thinking Through the Process with a Trust-Based Lens

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Historically, grantmaking systems and operations have been designed with a specific customer in mind: the grantmaker. Trust-based philanthropy invites users to approach grantmaking operations with a different customer in mind: *the grantseeker*.

This simple shift in focus can help foundation staff rethink the role of grantmaking operations and technologies so that they can facilitate greater trust and relationship-building with grant partners.

This guide, along with the corresponding resources listed, will help funders set the stage for grantmaking operations that place grant partners at the center and support the six grantmaking practices of trust-based philanthropy:

The Six Practices of Trust-based Philanthropy

-  Give Multi-Year, Unrestricted Funding
-  Do the Homework
-  Simplify & Streamline Paperwork
-  Be Transparent & Responsive
-  Solicit and Act on Feedback
-  Offer Support Beyond the Check

LIMITATIONS OF TRADITIONAL GRANTMAKING OPERATIONS

Traditional approaches to grantmaking operations are often one-sided, placing the locus of burden on applicants and grantees to package and present their information exactly as requested even when those specifications have no bearing on the suitability of the grant partnership. In other words, current “best practice” is not necessarily the right standard to follow if you’re attempting to implement trust-based practices.



Imbalanced Power

Traditional grantmaking operations design can uphold and reinforce power imbalances both internally and externally, making it a challenge to fully operationalize trust-based practices.



Transactional Relationships

Approaches that favor the convenience of the grantmaker often prioritize transactional processes over relationships, as attempts to systematize requests, payments, and data can result in overbuilt internal processes that slow down decision-making and communication with grant partners.



Inflexible Systems

Grantmaking staff aspiring to implement trust-based systems have to individually work with consultants, colleagues, and vendors to actively change the default structures in grantmaking systems that place burden on grant partners and prioritize workflow over relationships.

WHAT'S WORKING?

Learning from Trust-Based Grants Managers

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We consulted several grants managers and operations staff with experience developing grantmaking operations through a trust-based lens. Below are the top takeaways:

1 ASK YOURSELF: Do Your Operations Reflect Your Org's Values?

The heart of trust-based philanthropy is about aligning your practices with your organization's values. If you've committed to embracing trust-based philanthropy, then it's not enough to say it -- you must also demonstrate your trustworthiness by matching your actions to your words.

- **Start with Internal Trust-Building.** When the board trusts the staff to hold relationships, make decisions, and track progress, it naturally opens up more opportunities for staff to implement and operationalize trust-based practices and structures that center grant partners.

TIP: *focus internal conversations less on due diligence and oversight and more around supporting the needs of grant partners and what you are learning (or hope to learn) as a result of their work.*

- **Discern and Clarify the Information You Need.**

Most of the information funders typically ask for in the proposal or pre-proposal stages aren't actually used to make decisions. This isn't a good use of anyone's time. Instead, hone in on what information is essential to your decision-making (alignment, relationships, community positioning) in order to see how you can streamline your processes.

- **Check for Alignment from Vendors and Consultants.**

From the start, choose vendors and consultants that align with your values. As you collaborate with them, continue to clearly communicate your values during the implementation process to ensure that you're continuing to work from the same frame.



“Who is the customer? As stewards of philanthropic dollars, funders can play an important role in seeing their systems as a way to serve their customers — grant partners — in a way that doesn't displace resources, capacity, and time from their important missions.”

— Foundation Grants Manager
operationalized a more relational and trust-based grantmaking system

2 SHIFT FOCUS from Paperwork to People

If your grantmaking is designed to support the work of your grant partners, your operations too should center people and relationships. Most trust-based funders take an intentionally streamlined approach to applications and reporting, and they use their grantmaking systems to provide visibility and transparency as it benefits their grant partners.

- **Auto-Populate Publicly Available Data in your GMS.**

Program Officers and Grants Managers can do the homework on existing and potential grant partners, integrating publicly available data from third party platforms, auto-populating data from existing grant partners into renewal requests, and holding durable or rarely changing information on the organization record instead of the request record.

- **Incorporate Fields for Internal Notes & Video/Audio Uploads:**

By shifting your grantmaking processes to be conversation-based, you can put your relationships with grant partners at the forefront. Seek out opportunities to create fields in your grants management systems where program staff can enter information from verbal check-ins and upload video and audio files to grantee records – ideally with opportunities for grant partners to review and approve what you've captured.

A more relational approach coupled with streamlined processes can save time for both grant partners and foundation staff, while strengthening relationships and ultimately bringing more joy to the work.



“I'm happier in the work that I do — I'm able to focus on deep relationships while using our grantmaking systems to support grantees, track the lifecycle of our grants, and have just the data I need.”

— Foundation Grants Manager
operationalized a more relational and trust-based grantmaking system

Resources:

Trust-Based Philanthropy in 4D
How To Show Up in a Trust-Based Way

Resources:

Trust-Based Templates
The 6 Grantmaking Practices of Trust-Based Philanthropy

3 COMMIT to Emergent Learning

Learning as you go is another common theme amongst funders who embrace trust-based practices. The core idea here is to learn alongside partners about what it actually takes to do the work rather than trying to use evaluation to prove the direct impact of a specific grant.

- **Continuously Refine and Improve.** Strive for ongoing improvement of your thinking and your processes — both internally, for staff and board, and externally, for partners and prospective grantees. Adopting systems that allowed for flexibility was named as a key factor in reinforcing the process of continual learning and improvement.
- **Adopt Feedback Loops.** To remain open to shifting priorities, adopt strong feedback loops. Consider different methods to collect regular feedback on how users experience your systems, and use that to inform future changes to improve the process.
- **Invite Boards to Take a Bigger Picture Role.** The board's ability to reimagine its role is key to their buy-in for trust-based transformation. As strategic focus turns away from counting annual outputs against dollars spent, boards can lift their eyes from the micro-level data and focus on key trends across sectors, gaps analysis, regional or local indicators of progress, and portfolio-wide learning.

Resources:

Strategic Focal Points for Trust-Based Boards
A Trust-Based Framework for Learning & Evaluation in Philanthropy
Fund for Shared Insight – Listen4Good

SPECIAL THANKS

to Melissa Sines of Colmena Consulting for helping craft this guide, along with the following institutions who informed this guide with their contributions and insights:

The Libra Foundation; General Service Foundation;
Headwaters Foundation; Helen J. Serini Foundation;

Magic Cabinet; Wildcard Giving; Song Foundation;
Technology Association of Grantmakers (TAG).

4 IDENTIFY Your Path for Change

Ready to jump into the trust-based grants management journey? Whether you're reimagining existing operations or setting up new operations and systems from scratch, there are some key elements to include on your journey.

- **Get Curious.** Reach out for support, guidance, and templates. Connect with peers via the Trust-Based Philanthropy peer exchange or ask others who have streamlined their processes.
- **Build Buy-In for the Change.** Identify stakeholders across the spectrum — board, program staff, grants management staff, IT, grant partners, and external reviewers — and focus on values alignment as your north star for evolving your systems and operations.
- **Know the Marketplace.** Choose a grants management system that supports and enables you to implement more relational, trust-based approaches in your grantmaking such as those practices outlined above.
- **Identify the Pain Points.** This is where the rubber meets the road with regards to operationalizing equity. Ask your staff and your grant partners questions about your current system: What are grant partners challenged by? What are staff challenged by? How are you measuring and documenting challenges and using this information to shape a new way forward?
- **Reimagine Job Roles & Requirements.** Boards, Program Officers, and Grants Managers can reimagine their day-to-day work to focus on relationships. More and more funders are identifying people and relationship-based skills as primary to these roles, even more so than subject-matter or technical expertise.
- **Create a Change Management Plan.** How do you get from where you are now to where you want to be? Creating a change management plan is necessary for strategic alignment of systems and people across a complex process. Outline expected benefits of the change, the timeline, costs, and resources associated with the change, name key milestones, clarify ownership, and communicate regularly and transparently about the change.
- **Build in Accountability.** Respond to feedback from all stakeholders in the change process. Be clear and explicit about the results for which you are taking ownership. It's likely you won't get it exactly right the first time — most organizations don't! Check in regularly throughout the change process to ensure that you're maintaining buy-in and forward progress.

Your grantmaking operations are nothing more than what they are designed to be, so no system will solve for trust-based philanthropy except the one that you intentionally design to do so. Together, funders committed to trust-based philanthropy can shift the marketplace if we ask for systems that center the experiences of grant partners, shift the burden to funders, and ensure flexibility.

Resources:

Roadmap to Trust-Based Transformation
Grantmaking with a Racial Justice Lens
Power Moves Self-Assessment Toolkit