

# GRANTMAKING TOOLKIT

The smart way to build, review  
or refresh your grants programme



**SmartyGrants**

Software, data science & grantmaking intelligence

## **Grantmaking Toolkit: The smart way to build, review or refresh your grants programme**

Published by Our Community Pty Ltd  
Melbourne Victoria Australia

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Our Community Pty Ltd  
PO Box 354  
North Melbourne 3051  
Victoria, Australia  
Email: [service@ourcommunity.com.au](mailto:service@ourcommunity.com.au)

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ISBN 978-1-876976-42-2

First published 2011. This edition (Australia & New Zealand) published July 2020.

# About Us

## ABOUT OUR COMMUNITY

The Our Community Group provides advice, connections, training and easy-to-use tech tools for people and organisations working to build stronger communities. Our partners in that work are not-for-profit organisations and social enterprises; government, philanthropic and corporate funders; donors and volunteers; enlightened businesses; and other community builders.

Our Community, an Australian social enterprise, has been at the forefront of innovation in grantmaking for the past two decades engaging with funders and applicants.

The knowledge and experience of all of these stakeholders has helped inform this document.

We are indebted to Barry Smith and Fiona Dempster, who are among Australia's leading grantmaking and social inclusion thinkers, for contributing their great wealth of knowledge of effective grantmaking processes and principles to produce this document.

## ABOUT SMARTYGRANTS

SmartyGrants is built upon the knowledge of grantmaking collected through more than two decades of working with funders and applicants. The software was built in part as a response to a deep vein of 'grants rage' we saw flowing through the grantseeking world, a rage fed by difficult forms, bewildering practices, and infuriatingly slow processes. At the same time, we uncovered another significant stream of grants rage, with capable, well-meaning funders hobbled by expensive, clunky, outdated technology (and some poor practices on the grantseeker side as well).

We identified a need for better education, stronger connections between funders and applicants, and a powerful but affordable and easy-to-use technology solution for managing grants. Having determined that no existing system met the standards we believed funders and applicants deserved, we built our own.

SmartyGrants is a vital part of Our Community's grantmaking reform agenda, ensuring that all funders, regardless of location, type, sector or size, have access to an affordable, best practice online tool.

## ABOUT THIS TOOLKIT

This toolkit helps funders to build best practice into their grants processes and programmes and get the most out of SmartyGrants. It is designed to walk you through the process of building, reviewing or refreshing a grants programme. When used in combination with SmartyGrants, it will provide you with the necessary knowledge and systems to build and administer grants programmes for maximum impact.

Whatever type of funder you are, the toolkit will help you design, develop and deliver the best possible grants programme. Specifically, it will help you to:

- Determine the key policy and operational decisions on which the success of your grants programme hangs
- Identify what needs to be done and by whom in order to deliver your programme efficiently and effectively
- Work out what decisions need to be made about how each activity will be done
- Identify common problems and put in place processes that will enable you to avoid them
- Build a grants manual for your organisation
- Express the unique elements of your particular grants programme.

## WE VALUE YOUR FEEDBACK

We are keen to hear how you think the Grantmaking Toolkit can be improved or expanded.

Send your feedback to  
**[service@smartygrants.co.uk](mailto:service@smartygrants.co.uk)**.

You can find out more about SmartyGrants at  
**<http://www.smartygrants.co.uk>**

# SmartyGrants GRANTMAKING TOOLKIT

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# Introduction

Grantmaking is central to the global economic system. Each year, trillions of dollars in grants are distributed across the world by governments, non-government organisations, philanthropic organisations and corporations.

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

Good grantmaking contributes in meaningful ways to the creation of fair, just, democratic and prosperous societies. It does so by serving the public good, not private interests, and by employing practices that help organisations achieve their missions most effectively.

The SmartyGrants Grantmaking Manifesto was developed to articulate our values, principles and beliefs based on all we have learned about grantmaking through our considerable work in this field, as well as our individual experiences as funders and applicants.

We believe:

- Grantmaking is an absolutely central element in the global economic system
- The world needs more professional funders
- Funders should listen to the communities they serve
- Funders should be efficient
- Funders should be ethical.

## PRINCIPLES OF GOOD GRANTMAKING

Working through this toolkit will enable you to design your grants programme around the following principles:

- Outcomes are clearly identified
- Governance is clear and strong
- Decision-making is transparent and criteria-based
- Information is available and accessible

- Risks are identified and managed
- Programme structure is tailored to its circumstances, target group/s and purpose
- Financial and grant performance are monitored and reported on
- A contribution is made to the knowledge base of the broader community.

## THE NINE STAGES OF A GRANTMAKING PROGRAMME

This toolkit breaks grantmaking into nine stages. It provides detailed information, tips and templates in relation to each stage. All nine stages are linked, so the decisions made within one stage may affect the actions undertaken in others.

The stages follow the typical lifecycle of a grants programme, except stages one and two (plan and design / record keeping), which act as the bedrock for the others. Working through the processes outlined in stages one and two will help you set the overall design parameters for the remaining pillars. The grants lifecycle is not linear, rather it's a cycle whereby lessons learned from all stages are fed back into programme design and delivery to facilitate continuous improvement.

The nine stages of the Toolkit are:

### Stages 1 & 2: Plan and design / Record keeping

The overall aim of these first two stages is to state clearly the 'why' and 'what' of the grants programme. Consideration is given to key responsibilities – who does what; why the programme exists; what outcomes are you trying to achieve; how it fits within the mission of your broader organisation; and what approaches and systems you are going to implement to achieve these outcomes. You will establish who will be eligible for your programme and exactly what information you need from applicants to assess whether they will be able to deliver the programme outcomes. Just as outcomes, policies and approaches underpin the whole programme, so too do the decisions about the grant management and records systems to be used throughout the lifecycle of your programme.

### Stage 3: Identify outcomes agents

This stage will help you clarify how you are going to run your application process and design the application forms, ensuring you only ask applicants what you actually need to know (and only what you need to know). Once you have determined how you are going to run your application process and what you are going to ask, you need to determine how you are going to reach out to the people best placed to deliver the results – the ‘Outcome Agents’.

### Stages 4 and 5: Assess and decide / Notify

Every grants programme needs a fair and transparent assessment and decision-making process – it’s important that your process can stand up to external scrutiny. There are many issues to be dealt with when awarding a grant, such as ensuring the proper involvement of stakeholders in announcing successful applicants. Unsuccessful applicants must also be dealt with appropriately.

### Stages 6 and 7: Agreements / Monitor

These stages focus on the relationship between the funder and the grant recipient over the life of a grant. They deal with negotiating the grant agreement, payment of funds and monitoring progress toward outcomes. They also cover management of performance issues and preparation for variations to the grant terms that may arise during the course of the grant.

### Stages 8 and 9: Close the grant / Evaluate & share

The final two stages cover funding reports, closing grants, evaluation and sharing lessons learned. These stages will help you determine how you will assess what has been achieved through your grant, and what has not (outcomes); what has worked and what has not (process); and what can be done differently next time (developing the knowledge base). Although review and evaluation are inevitably considered the end process of a grant, it’s very difficult indeed to bolt these processes on as an afterthought – you need to be thinking about them when you design your programme.

### ELEMENTS

The nine stages of the lifecycle are broken down further into 18 separate elements. The elements identify in broad terms the key programme design issues and decisions that need to be made, what tasks need to be done, and generally what documentation is required to establish and manage a successful grants programme.

The foundation stages (stage 1: Plan and design and stage 2: Record keeping), including their associated elements, underpin all facets of the grants programme design process, whereas the other stages refer to distinct phases of the grants programme delivery (though there is often some overlap).

### HOW TO USE THIS TOOLKIT

For funders designing a new programme, work through the stages in sequence, from one to nine. Use the templates provided to develop the policy and practice documents that will underpin your programme.

For funders reviewing an existing programme, the toolkit will help you identify areas where your programme may be lacking, as well as suggesting some remedies or reforms.

For all funders using this guide – whether starting a new programme or reviewing an existing one – it’s crucial to address all elements within stages 1 and 2 before working on any other element. Responses to the key questions posed in these stages will provide the backbone of your programme, setting the overall goals, principles, parameters and broad directions for the other elements.

Once you have worked through stages 1 and 2 you can move on through the other stages, preferably – but not necessarily – in the order in which they are presented in this toolkit.

# Best Practice Grantmaking Lifecycle





# Stage 1

## Plan and Design

# Stage 1: Plan and Design

## 1.1 GOALS, GOVERNANCE & PROGRAMME FEATURES

Why does your grants programme exist, and what do you aim to achieve by it? This is the first thing you need to establish. This early stage is the time to consider high-level questions about your grants programme.

You should ask:

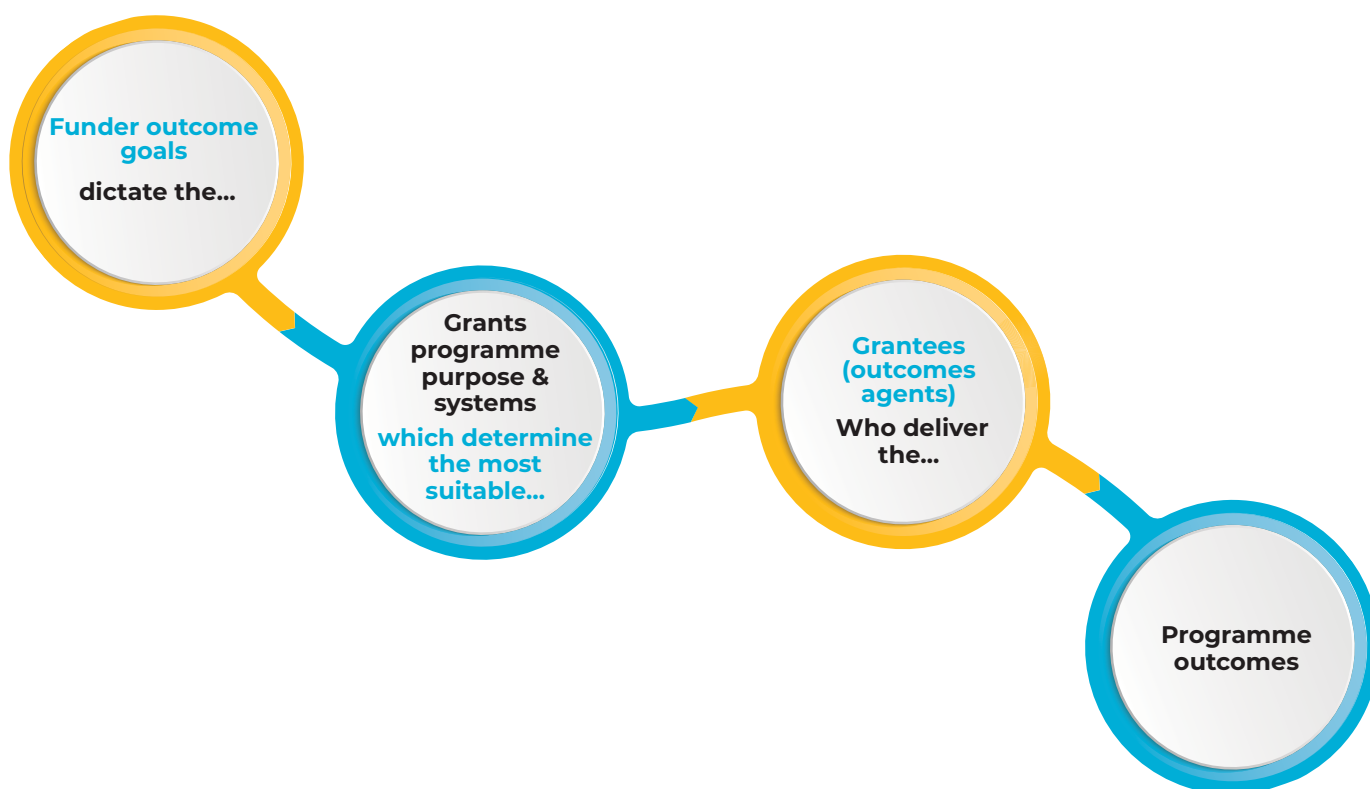
- What are the key goals and purpose of this grants programme?
- What is the dollar value of the grants programme, and over what time period?
- What, if any, risks are involved in delivering the grants programme? What controls will you need to put in place to mitigate these risks?
- What are the overriding outcome goals of the programme?
- Are the desired outcomes consistent with the overall vision and mission of the organisation?
- Who are the stakeholders of the grants programme? Who will be involved in designing or delivering it, and who will be affected by it?

- Are there secondary outcomes to be achieved alongside the grants programme goals; e.g. equity of access or outcomes for women and girls, improved governance, capacity building?
- How will you know if you're making progress? Are the desired outcomes measurable? What are some of the key things that can be measured?
- Is the grants programme a project within a bigger programme? If so, what is the total programme aiming to achieve?
- You should be able to draw a clear line from your grantmaking organisation, through the purpose and goals of the grants programme, to the outcomes on the ground.

### RELATED TEMPLATES

Grants Programme Overview:  
<http://www.smartygrants.co.uk/GrantsProgramOverviewUK>

Grants Programme Stakeholders:  
<http://www.smartygrants.co.uk/GrantsProgramStakeholdersUK>



# Stage 1: Plan and Design

## 1.2 OUTCOMES ORIENTED PROGRAMME DESIGN

Good grantmaking requires a thoughtful, clearly articulated grantmaking policy and clear lines of responsibility.

You need to develop, agree on and share your broad policy framework and operational framework before diving into the detail of your programme and processes.

There are many legitimate ways to design a grants programme. Some programmes take a clinical, business-oriented approach, where the relationship between funder and recipient is mainly transactional. Others take a more developmental, relationship-building, participative approach.

The broad frameworks you develop should be informed by your programme's desired outcomes. They will guide the more detailed policy and operational decisions that will follow. The framework that results from completing the work outlined here is intended as an internal high-level document. It provides the basis for the public guidance notes for the programme.

To build your frameworks, you'll need to consider these questions:

- Will the programme be universal (e.g. open to all organisations) or targeted (e.g. open only to organisations or individuals with particular characteristics)? Why?
- Will the grants programme bring in established organisations or emerging ones, or a combination? What implications will this have?
- Will the programme offer one-off, recurrent or time-limited grants?
- How many funding rounds will there be; or will you have a rolling application programme?
- Will the application process use competitive tenders/applications or supported submissions/proposals?
- Where do the responsibilities lie? Who is accountable for decision-making, administration and speaking on behalf of the grants programme?

- What will be the relationship between grant manager and grant recipient? E.g. purchaser and provider, or participative partners?
- Will grants encourage consortiums/partnerships or will they relate only to a single grant recipient?
- Will the programme involve national or regional organisations, or small, local organisations, or a combination?
- Will the grants be the sole funding source for grant recipients, or will they be expected or permitted to make co-contributions, or put together a portfolio of funding?
- Will you allow a portion of the funding for overheads and/or evaluation? Will you set limits on administration budgets versus project activity budgets? Are there any budget items that you will explicitly preclude (e.g. capital expenditure)?
- Will you use objective or subjective criteria to assess applications, or a combination?
- If the programme is local or national, will you assess applications centrally, regionally or locally?
- What are the broad risks (financial, ethical and reputational) associated with the grants programme, for your organisation and others, including grant recipients? What strategies can be put in place to address these risks?
- How will you evaluate the programme? Will the evaluation be summative or formative? Summative evaluations usually look at the outcomes at the end of the programme, whereas formative evaluations look at processes as they unfold.

### RELATED TEMPLATES

Operational Framework:  
<http://www.smartygrants.co.uk/OperationalFrameworkUK>

Sample Programme Guidelines  
<http://www.smartygrants.co.uk/SampleProgramGuidelinesUK>

# Stage 1: Plan and Design

## 1.3 ELIGIBILITY CRITERIA

How will you decide who will be eligible to apply for your grants, and who will actually receive them? This will be determined largely by the outcome goals of your programme.

There are many great projects and organisations out there, but how many of them are positioned to deliver specifically what you want? Selecting the right organisations and projects to fund is key to the success of your programme.

So what criteria will you use to assess applications? What capacity, knowledge and capabilities do you expect of successful applicants?

Your eligibility and assessment criteria will flow from your outcome goals and approach. You'll also need to consider these questions:

- Who is eligible for funding? Who's ineligible? Are for-profit and not-for-profit organisations, social enterprises, or government agencies eligible? Will you accept applications from individuals, from political or religious organisations, or unincorporated organisations? What about organisations that have failed to comply with the conditions of previous grant? Why? Why not? Is your policy defensible?
- Do grant recipients need to be a legal entity (incorporated), or hold insurance?
- Do grant recipients need to have certain capabilities? A demonstrated knowledge of the sector? Established networks and connections in a particular place or within particular target groups? Project management skills? Particular qualifications or experience?
- Will you require grant recipients to involve or deliver to particular target groups, such as refugees, or women and girls, or people with disability, or gay youth?
- Do your eligibility and assessment criteria comply with the law? For example, have you checked that they comply with relevant anti-discrimination legislation?
- Does your constitution, Trust deed, guidance notes or policy prohibit funding individuals or other types of applicants?

- What are your key selection criteria? How do they relate to the goals and objectives or your programme? Why have you chosen these criteria? How will you ensure judgements are consistent?
- What's the order of priority within the key selection criteria?
- How will criteria be weighted?
- Will applicants need to be ranked? What method will you use?

## RELATED TEMPLATES

Eligibility and Assessment Criteria:

<http://www.smartygrants.co.uk/EligibilityAssessmentUK>

## Tips

- Look around at what other funders are doing in the same 'space'. Is there anyone willing to share their programme design, forms, assessment criteria, or even stories about what worked and what didn't? An easy way to find such an organisation is to ask some of your potential grant recipients who currently funds them. (While you're at it, ask them what's lacking in those other funders' aims or processes and see if you might be able to fill the gap or deliver something better.)
- Don't automatically include or exclude certain types of applicants just because that's the way it's always been done, or because that's the way others do it. Think first of the outcomes you want to achieve, then work backwards to try to identify the types of organisations and individuals who can help you achieve those aims.
- Being very clear about your assessment process and eligibility and assessment criteria will prepare you for your online assessment set-up in SmartyGrants. It will also inform the creation of your assessor guidelines and assessment forms and guidance notes for applicants. See the Assessment & Assessors area of the SmartyGrants Help Hub for more on this topic – <https://www.smartygrants.co.uk/grantmaking-features/plan-and-design>.

# Stage 2

## Record Keeping

# Stage 2: Record Keeping

## 2.1 SETTING UP GRANTS MANAGEMENT AND RECORD-KEEPING SYSTEMS

Good grants management and record-keeping systems contribute to good governance, good outcomes and good programme data.

You need to put in place an efficient, coherent grants management and record-keeping systems in order to satisfy the accountability demands of stakeholders and auditors. Your systems must be capable of recording every interaction with applicants from the first contact until the last. This includes inquiries, applications, assessments, agreements, payments and funding reports.

Even if an organisation doesn't proceed to the application stage, you should record information on when, how and why it contacted you, the funder. If questions about those interactions arise later, perhaps in a legal or political context, you'll be able to answer them confidently.

Your grants management and record-keeping systems will also hold data about the success of your programme and who is accessing it, which is a valuable resource.

Good grants management and record-keeping systems capture corporate knowledge and allow you to have a holistic view of a grant recipient's overall performance, providing the visibility you need to quickly identify and treat risks. They also free you up to spend more time focusing on those aspects of your job that really make a difference – getting out in your community to learn about the issues applicants are trying to address, working with a struggling partner to help build their capacity to deliver a solid project, evaluating progress, and so on.

In setting up a grant management and record-keeping system, consider these questions:

- Will you just use SmartyGrants, or will there be different systems or products for inquiries, contracts, monitoring and reporting, payments, correspondence and so on? If you use different systems for different processes, how will you match, aggregate or interrogate the data?
- Who will be responsible for recording and answering applicant queries?
- What items or documents will be included in each grant recipient's record?
- When will records on a group or organisation

start – from first contact, from the time of application, or from when their success or failure is confirmed?

- What do you need to do to comply with GDPR, Freedom of Information and other legislative or regulatory requirements? What will you do with unsuccessful applications? Will they be held by the programme manager, returned to the applicant, or destroyed?
- How much information should be recorded about queries or meetings with grant applicants, and in what format?
- How will old records be disposed of? Who will be responsible for disposing of them?
- For how long will records be kept and in what format will they be kept?

### RELATED TEMPLATES

Records System Policy:

<http://www.smartygrants.co.uk/RecordsSystemPolicyUK>

### Tips

- SmartyGrants is a best-practice record-keeping system for funders. The system tracks all interactions with a applicant organisation through the lifecycle of the grants programme. It helps ensure fairness and accountability, and can also feed into your monitoring, acquittal and evaluation processes.
- It's essential that you're clear about your framework and have mapped out all your processes before you start setting up your programmes in SmartyGrants. Working systematically through this toolkit will help you to decide what stages and tasks you will need to use when setting up your programmes in SmartyGrants.
- With SmartyGrants, you have the ability to control who accesses your data. You can configure users' permissions to ensure that people in your teams have access only to the data they need to undertake their role. There is no limit to the number of users you can add or how many users you should have at any specific level.

# Stage 3

## Identify Outcomes Agents

# Stage 3: Identify Outcomes Agents

## 3.1 APPLICATION FORM AND PROCESS

A grant application process typically revolves around a written application form.

The best-designed application forms are easy to complete and provide funders with all the detail they need – but no more than that.

Every unnecessary question you ask imposes an additional burden on grant applicants and crams your own records full of unnecessary material. What's more, a poorly designed form makes assessing applications much more difficult than it needs to be.

Be guided by your assessment criteria and reporting needs when it comes to writing questions and structuring your application form.

When designing your application process and form, consider these questions:

- Will the application process have one stage (one application) or two or more stages? In a two-stage process, applicants typically submit an initial expression of interest. Then applicants with little chance of success are advised not to proceed with a more detailed application.
- Will the application process involve face-to-face interviews or some other component in addition to the application form?
- What will the application form look like? Will it be a formal document calling for lots of detail, including a budget; or a semi-structured form that asks applicants to address set criteria; or a set of broad, open-ended questions?
- Can applicants apply verbally instead of in writing, via a pitch or an interview? This can be useful where literacy is an issue.
- Will the application form be made available in languages other than English?
- Will the application process be paper-based or online? Will this suit the intended recipients in terms of their capabilities and locations?
- Will a help desk or other facility (e.g. technical consultants, advisers, grants programme staff, programme guidance notes, frequently asked questions) be available to support applicants?
- How will help be delivered? Over the phone? In information sessions? Via email? In languages other than English?
- Will applicants be offered individual help in moving their application from concept to full proposal, or will the help desk simply provide scripted, standardised information?
- How will you separate the task of providing help from the task of assessing applications? How will you guard against accusations that one applicant has received too much help?
- How will the individual needs of particular target groups (e.g. People with disabilities, Muslim women) be taken into account in information sessions?
- How will applications be dealt with upon receipt? Will they be acknowledged? By whom, in what form and when?
- Will you accept multiple applications from the same organisation?
- What's your timeline for finalising and then building and releasing the forms?
- Will you offer grant extensions to applicants who miss the deadline? If so, in what circumstances, and for how long?
- How will late applications be dealt with, and who decides whether they can be considered?
- What will you do about incomplete applications? Will you give applicants a chance to provide more information? How much time will you give them?

### RELATED TEMPLATES

A number of form templates are loaded into all SmartyGrants accounts, ready for you to use or adapt for your own purposes. Of course, you may prefer to build your own from scratch.

It's easy to create user-friendly online forms in SmartyGrants. SmartyGrants standard fields and templates help you to ask the right questions and give users capabilities for programme analysis, reporting and evaluation. Learn more about building SmartyGrants forms here:

<https://help.smartygrants.co.uk/using-smartygrants/forms/>

Managing the Application Process

<http://www.smartygrants.co.uk/ManagingApplicationProcessUK>



# Stage 3: Identify Outcomes Agents

## Tips

- Instead of just describing what you want applicants to provide, give them examples. For example, in the section of your application form on the budget, provide a budget template, or show examples of the line items you want included. Also provide samples of successful applications that applicants can use as a starting point.
- Don't make assumptions about the sort of application process that will best suit your potential applicants – instead, obtain evidence. For example, contrary to popular belief, the overwhelming majority of multicultural and rural applicants are willing and able to apply online.

## 3.2 PROMOTING THE OPPORTUNITY

The success of your grants programme depends on encouraging those applicants best placed to deliver results – the 'Outcomes Agents' – to apply.

Dealing with applications from people, groups or projects that are in fact ineligible for your programme is a waste of time – your own time and the applicants' time.

Promotion is not only about reaching your target group. You may also wish to reach other stakeholders. For example, you might be seeking public recognition, advising the wider community about how public money is being spent, or informing the broader community about the types of groups that can receive assistance from your programme.

In promoting your programme, you'll need to consider:

- Who's responsible for promotions?
- Who do you want to reach?
- Why do they need to be reached?
- How will you reach them? Print, broadcast or online advertising, industry/community information sessions, email alerts, social media, face-to-face briefings, general and specialised grants websites, flyers, newsletters or other means? Will you be passive (paid advertising) or active (door-knocking, approaching prospective applicants directly)?
- How long will your promotional campaign run for?
- What's your promotions budget?

- What messages and information are you going to send to different audiences? You might include, for example, your goals; the types of projects to be funded; the amount of funding available; the programme timeline; the application and assessment process; contracting and probity arrangements; and how to get more information. Most importantly, your promotions should reflect your assessment criteria.
- How are going to reach specific groups such as rural applicants; emerging or low-capacity community groups, people of particular ethnic, educational or economic backgrounds; and so on?
- Will you produce promotional material in languages other than English?
- What arrangements need to be in place to deal with inquiries once your promotions are under way?

Along the way, you'll need to decide what information to keep in-house and what to communicate to applicants. Being transparent and accountable doesn't mean you need to put all the details of your administration and operations on public display. It's important to find the balance between confidentiality and accountability.

## RELATED TEMPLATES

Programme Promotion Strategy:  
<http://www.smartygrants.co.uk/ProgramPromotionUK>

## Tips

- Promotions need to be backed up by good processes. It's vital to have appropriate administrative systems in place before you start promoting anything. It's common for organisations to launch and publicise their grants programmes to great fanfare without having lined anyone up to answer the inevitable queries. Be prepared.
- SmartyGrants provides funders with their own applicant website. Applicants can begin, manage and submit their applications through the site. Learn more: <https://www.smartygrants.co.uk/grantmaking-features/identify-outcomes-agents>

# Stage 4

## Assess and Decide

# Stage 4: Assess and Decide

## 4.1 ASSESSMENT PROCESSES AND RECOMMENDATIONS

If you have carefully planned all aspects of your application forms and processes, the assessment stage should be relatively straightforward.

You need to plan and document a fair, transparent assessment process that takes into account:

- Who will conduct eligibility checks
- How ineligible applications will be dealt with and by whom
- When applications will be assessed and by whom
- Whether there will be a scoring and ranking system, and how it will be carried out
- How assessments will be recorded.

Correct planning of this phase is crucial in establishing the transparency and objectivity credentials of your grants programme.

In some cases, decisions will be made as part of the assessment process, but in many cases, decision-making will be a separate stage – the people and processes responsible for shortlisting applications will be different from (or only some of) those responsible for deciding which applicants will receive grants.

Consider the scale of your assessment process. Do you really need a 12-member community assessment panel when your average grant is only £500? Make sure your assessment process is appropriate for the size of your grants programme and you could save both your organisation and your applicants a lot of time and effort.

When planning your assessment process, you need to consider:

- Will you carry out an eligibility check first to ensure that only eligible applications are assessed? Who will do this check?
- What is the purpose of the assessment process? – e.g. to shortlist; to rank applications; to make recommendations for funding?
- How long after applications close will assessment start and finish?
- Who will assess applications? Will you establish an assessment centre with trained assessors, or will programme staff carry out assessments as part of their normal duties? Will your assessment panel reflect your particular target groups (e.g. farmers,

performers, people with disabilities)? How will you select panel members?

- Will your assessment system be paper-based or online (e.g. SmartyGrants)? If both, which format will apply to which part of the process?
- Will applicants have the opportunity to provide a verbal presentation to the assessors? Under what circumstances?
- What methods will you use to rank or shortlist applications? What criteria will you use to assess applications for eligibility and/or desirability? Will you apply weighting?
- How will you ensure the quality and consistency of the assessment process? Will a sample of the applications be reviewed and scores compared by a moderator to ensure fairness and consistency? Will you convene a formal review panel to moderate all application assessments?
- How will you guard against conflicts of interest (real or perceived) in the assessment process?
- Who will be responsible for preparing the assessment report?
- What information will be included in the assessment report?
- Will the assessment report include funding recommendations?
- To whom will the assessment report be presented?
- Will the assessment report highlight cut-off points for applications against available grant resources?
- Are your confidentiality and security measures appropriate to the nature and size of your grants programme and the requirements of your applicants?

### RELATED TEMPLATES

Sample Comparative Assessment Form:

<http://www.smartygrants.co.uk/SampleComparativeAssessmentUK>

Policy Template: Application Assessment Policy

<http://www.smartygrants.co.uk/ApplicationAssessmentPolicyUK>

Assessor Deed of Confidentiality and Conflict of Interest Disclaimer:

<http://www.smartygrants.co.uk/AssessorConfidentiality-COI-UK>

# Stage 4: Assess and Decide

## Tips

- SmartyGrants allows you to give internal or external assessors access to the forms you assign them to. You can easily build assessment forms to capture the information you need from applicants. Assessors then score, rate or comment on applications according to criteria you set in your forms. You can add weighting using calculated fields. Learn more here: <https://www.smartygrants.co.uk/grantmaking-features/assess-and-decide>. Using SmartyGrants to collect applications allows you easy access to the information you need for eligibility checks and assessments.
- Using SmartyGrants to collect applications allows you easy access to the information you need for eligibility checks and assessments
- SmartyGrants stores assessments securely and allows administrators to quickly and easily manage access to assessments, strengthening security and accountability.

## 4.2 DECIDING

Who's going to make the decisions about who receives a grant, and how will they decide? Transparent decision-making structures and processes are essential to accountability.

You need a decision-making policy that takes into consideration:

- Who is part of the decision-making chain – e.g. eligibility checkers, application assessors and final decision-makers?
- Which decisions are made at which point in the chain? What are the deadlines?
- Who makes the final decision on who will receive grants? Will the decision be made collectively by a board or council, or by an individual such as a minister or CEO?
- What criteria must the decision-makers follow in making their decisions? Are these criteria different from the assessment criteria?

- On what evidence will the final decision-makers base their judgement?
- Can the decision-makers ask the assessment team for clarification or further information? Under what circumstances?
- Can the decision-makers ask for information not included in the selection criteria and not reflected in promotion and application documents? Under what circumstances?
- How will decisions be recorded?
- Will the reasons for decisions be recorded? Will these reasons be made available to the grant applicant concerned?
- Is the final decision truly final, or is there a review or appeal process? What is that process?
- What is the process for justifying and recording decisions that fall outside the programme guidance notes, or outside recommendations?
- If the decision-makers are unable to separate some applicants, how will they break the deadlock? Request more information? Make more than one grant available?
- Is part-funding permitted?
- Who will be informed about the decisions? How?
- Will the identity of the decision-makers be kept confidential or made public?

### RELATED TEMPLATES

Decision-Making Policy:  
<http://www.smartygrants.co.uk/DecisionMakingPolicyUK>

Decision-Making Table:  
<http://www.smartygrants.co.uk/DecisionMakingTableUK>

Decision-Making Form:  
<http://www.smartygrants.co.uk/DecisionMakingFormUK>

# Stage 4: Assess and Decide

## Tips

Beware of processes that might expose your decision-makers to lobbying or post-decision complaints from disgruntled applicants. If necessary, provide coaching for them on how to deal with such approaches. Give your decision-makers clear guidance about decision-making criteria at the outset. Make sure your policies are clear and accessible.

When you record decisions in SmartyGrants, you can add notes about funding conditions, allocate funding against specific budgets, keep a tally of allocated funding, run reports on all of this, and much more. This information can be used on other forms and messages, at your discretion, allowing you to easily communicate relevant information to your applicants. Learn more here: <https://www.smartygrants.co.uk/grantmaking-features/assess-and-decide>



# Stage 5

## Notify

# Stage 5: Notify

## 5.1 NOTIFYING SUCCESSFUL APPLICANTS

Notifying successful grant applicants of their success and announcing the results is more than a feel-good stage in the grantmaking process. It's also an opportunity to promote your programme to the wider world and to build knowledge and capacity – for example, by publicising what led to the success of the winning applications. Make the most of the opportunity with an announcement strategy that serves your programme's goals.

This phase of your grants programme should be planned separately from informing unsuccessful applicants, although you might make the announcements simultaneously.

You'll need to consider:

- Who will decide when and how successful applicants are to be notified of the outcome?
- Will successful applicants be advised at the same time as unsuccessful applicants?
- How will successful applicants be notified? Individually or collectively? A phone call followed by a letter regarding contract negotiations? A website listing followed by an email notification? An email followed by a letter?
- How will the outcome be made public? Via a media release, website announcement, poster on a community noticeboard, community or applicant workshop or event, or in some other way?
- How will the announcement be used to promote the programme? Via a media release that promotes the programme as well as announcing the outcome, or a media event and photo opportunity with one of the successful applicants? Or will this happen at contract signing stage?
- Are there any decision makers or key stakeholders (e.g. minister, mayor, CEO, trustee) who would like to be involved in the announcement process?
- Will the amounts of individual grants be publicised?

- Which stakeholders – e.g. those in the target sector, potential users – will be personally notified of the outcome? Will you send targeted messages to different groups of stakeholders?
- Will information about specific applicants – e.g. the strengths of particular applications – be included in any announcement?

### RELATED TEMPLATES

Announcing Successful Applicants Policy:  
[www.smartygrants.co.uk/AnnouncingSuccessfulApplicantsUK](http://www.smartygrants.co.uk/AnnouncingSuccessfulApplicantsUK)

You may also wish to develop a form letter or email for successful applicants; a shell media release; and a script for handling queries from successful applicants regarding next steps.

### Tips

- SmartyGrants allows any fields recorded in the system to be used for reporting purposes. The system also enables the creation of correspondence such as template letters for successful applicants. Learn more: <https://www.smartygrants.co.uk/grantmaking-features/notify>
- Applicants using SmartyGrants receive a confirmation of submission email automatically. This email can be customised to your liking – some funders use it as an opportunity to highlight other great projects, for example. Learn how: <https://help.smartygrants.co.uk/using-smartygrants/forms/customise-the-submission-confirmation-message/>
- Use your announcement of grant winners as an opportunity to increase public awareness of your programme. You could even mark the announcement by staging an event to connect the successful applicants with one another, thus creating partnership-building opportunities.

# Stage 5: Notify

## 5.2 NOTIFYING UNSUCCESSFUL APPLICANTS

Managing unsuccessful applicants actively and well can reduce disappointment and anger, provide opportunities for improvement, and encourage ongoing involvement in your grants programme. It can also promote transparency, encourage trust, and provide relationship-building and capacity-building opportunities.

Communicating with, and making public announcements about, successful applicants is relatively easy (and pleasant) – it involves delivering good news and building positive working relationships. Delivering bad news, on the other hand, can signal the end of an existing relationship. It's common for unsuccessful applicants to ask 'why?' and to express disappointment and anger.

The challenge for grant programme managers is to explain clearly why an applicant has failed to win funding, and to encourage them to try again when the right opportunity arises.

The process is not without its risks:

- When announcing grant winners, funders can be seen to be grandstanding and making additional mileage out of the success of a few while others miss out
- Assessment and decision-making processes can be challenged as unfair and lacking objectivity, or can be seen as open to political interference by decision-makers
- Unsuccessful applicants may want to know their score and ranking in comparative assessments
- Unsuccessful applicants will almost certainly want to know why they were unsuccessful
- Unsuccessful applicants may want to appeal to a higher decision-maker to have the decision altered.

For these reasons, it is important for you to decide before launching your programme:

- How unsuccessful applicants will be informed
- When unsuccessful applicants will be informed relative to successful applicants

- What appeal mechanisms will be offered, if any
- What information will be provided to unsuccessful applicants
- What feedback will be given, when, how, and by whom
- What future capacity-building support will be offered, if any.

To create a clear strategy for advising and supporting unsuccessful applicants, you'll need to consider these questions:

- What is the purpose of advising unsuccessful applicants? Is it only to let them know they failed to make it this time; to give feedback to improve their capability; to demonstrate transparency; to confirm the use of a fair and objective assessment and decision-making process?
- How will unsuccessful applicants be advised? By standard letter or email; in a phone call; via an assessment outcome report; via lessons learned and tips for next time on a website; in a group or one-on-one debrief?
- Will unsuccessful applicants learn of the outcome at the same time as successful applicants – e.g. via a website?
- Will unsuccessful applicants be offered a contact person or number for further information or feedback? What level of detail will be provided in any feedback given?
- Is it clear that applicants are entitled to know only about their own application, and that comment on other applications will not be provided?
- Would a script or FAQs be useful to cover issues such as appeals?
- Do staff need to be provided with training on giving feedback?
- How will out-of-scope applications be dealt with? Will information about more appropriate grants programmes be offered?
- When and how will unsuccessful applicants be informed of any appeal mechanism?
- What records will be kept of verbal advice given and who will do this?



# Stage 5: Notify

## RELATED TEMPLATES

Unsuccessful Applicants Policy:  
<http://www.smartygrants.co.uk/UnsuccessfulApplicantsPolicyUK>

You may also wish to develop a form letter for unsuccessful applicants, an FAQ document, and a script for debriefing unsuccessful applicants, including advice regarding any appeal or review process.

## Tips

- Unsuccessful applicants crave feedback – they want to know why they missed out and what they could do differently next time. Providing such feedback is not only good for them, it can be good for you too, helping to raise the standard of applications in your next round.
- Providing your applicants with access to information about other grant opportunities, and other helpful tools and resources, can help take the sting out of a rejection.



# Stage 6

## Agreements

# Stage 6: Agreements

## 6.1 DEFINING TERMS

Grant agreements and contracts might sound bureaucratic, but they're more than simply legal and administrative processes and documents. They can also provide opportunities to build relationships, capacity, skills and understanding.

Grant agreement preparations vary from one funder to the next. Yours might consist of anything from issuing a single standard agreement to undertaking a full negotiation process. The extent of the negotiations will depend on the size, volume and complexity of your grants, and the nature of your grants programme. (Regardless of your approach to negotiations, you may want to draw on templates to form the basis of each new agreement and speed up the process.)

The agreement negotiation process may cover what items the grant will pay for, milestones, outcome goals, performance indicators, reporting arrangements, and timelines.

If you're dealing with emerging groups or organisations that have not used formal contracting processes before or might not understand the responsibilities that go with receiving a grant, you may also wish to use the contract negotiation phase to build understanding and capabilities.

Grant agreements and contracts should be appropriate to the grants programme, the amount of funding involved, the risks, and the organisations receiving grants.

In the case of small grants, a simple agreement written in plain English is usually the way to go. Where more significant sums are involved, a long and more legalistic contract will usually be necessary. In this guide we're concerned mainly with agreements, not legalistic contracts.

A grant agreement template or contract template should be carefully thought out and internally consistent. In developing such a template, the aim is not only to clarify roles and responsibilities; it's also to maximise the benefit for all concerned, particularly in terms of creating opportunities to develop partnerships and build capacity. Consider these questions:

- Who has the authority to negotiate the terms and sign the document? Who manages the contract or agreement day to day?
- What form should the document take? For example, it might consist of a letter of offer, a large standard contract, a sub-contract, or a memorandum of understanding. The form should be appropriate to the type of grant relationship, the size of the grant, the capacity and capability of the organisations concerned, and the risks involved.
- Will the contract enhance administration and outcomes and effectively mitigate risks (e.g. control fraud), or are there better or complementary ways to achieve these objectives outside the contract?
- Does the contract cover project review and programme evaluation, and set out timelines for these?
- Does the document provide sufficient legal coverage for the funder and grant recipients?
- Will there be a negotiation phase or only a standard contract? Will grant recipients be invited to contribute to the development of the contract?
- What degree of flexibility will the negotiators have in relation to funds, deadlines, deliverables, forms of contract, etc?
- Who will be responsible for what during the negotiation phase?
- Which aspects of the contract (if any) will be non-negotiable? Is this clear to the grant recipient?
- Does the document state what will happen if either party does not fulfil their roles and responsibilities?
- Are the language and style of the document appropriate to the funder and recipients?
- Does the document contribute to or detract from the balance and intent of the relationship between the parties?
- Will the same type of contract or agreement be used with all parties in the grants programme? If not, why not?
- Who signs first and how do they get the contract – or will there be a joint signing?
- Where will the contract or agreement be signed – in the privacy of respective offices, or at a mutually agreed public event or place?

# Stage 6: Agreements

- Will the occasion of the contract signing be used for other than legal and administrative purposes? For example, will it be used for information dissemination, awareness raising, capacity building, fraud prevention?
- Where will the document be recorded? As a separate file, or as part of an integrated recording system?
- How many copies will there be and who will hold them?
- What's the deadline for signing?
- How will disagreements be dealt with at this and at later stages of the process?
- Has the level of risk associated with each grant recipient been assessed? Are the conditions of the contract proportionate to the assessed level of risk?

## RELATED TEMPLATES

Contracting Policy:

<http://www.smartygrants.co.uk/Contracting-Policy-UK>

## Tips

- You can gain both the efficiency of a standardised approach to contracting and the flexibility of a customised approach by developing multiple templates and modifying them to suit individual grants; for example, a more streamlined template for smaller, lower risk grants, and a more detailed template for larger, more complex, or higher risk grants.
- The contract-signing can provide yet another opportunity for you to promote your grants programme to the wider community and to celebrate the start of a new relationship.
- SmartyGrants allows users to build their own letter of offer and agreements as a report, or a bulk mailout. Any letters or reports included will show each applicant who receives an email only the information relevant to them. A signed agreement can also be recorded as a file note against an application. Learn more: <https://www.smartygrants.co.uk/grantmaking-features/agreements>

## 6.2 MAKING PAYMENTS

The best grants administrators approach payments in a way that reflects the unique nature and goals of the programme they are administering.

Payment systems need to achieve the basics – to transfer the money to where it needs to be securely, reliably and efficiently. Timely payments are critical to managing an effective grants programme and building productivity and relationships, while badly timed payments not matched to the budget can contribute to project failures. But payment systems also need to reflect:

- the nature of grant relationships
- the size of the grants involved
- the management capacity and capability of recipient organisations
- the level of fraud risk involved.

Payment systems can also reward and encourage good behaviour and penalise bad behaviour. They offer opportunities to mark and celebrate milestones and to develop good administrative practices.

Payment systems should be closely linked to monitoring and reporting systems.

In developing and implementing a payment policy and system, you should consider these questions:

- Why are payments being made? Different purposes require different degrees of control by the grant recipient and entail different degrees of risk. For example, is the payment for the purchase of equipment or material, or for administration services, professional services, construction or creative tasks?
- Who approves payments and who makes the payments?
- How are the payments made – by cheque or direct credit into accounts?
- When are payments made – in advance, or upon presentation of receipts or invoices, or once milestones are reached? Does the approach vary according to the type of payment?
- Is there a payment schedule? If so, what is the frequency and size of the payments? Is this proportionate to the level of risk? Is it linked to agreed milestones?

# Stage 6: Agreements

- What clawback clauses and processes operate in relation to failure to meet milestones or to expend funds on designated items?
- Who is responsible for investigating and responding when a grant recipient disputes the timing or amount of a payment?
- How effective is the interface between the performance monitoring and reporting system and the payment system? Are they parts of one system, or joined (e.g. through an API), or separated?
- Are there any payment incentives for organisations that achieve performance indicators or outcomes on time or early, or that exceed expectations?
- Are there any financial penalties for organisations that fail to deliver outcomes on time?
- Is there a risk of the payment process contributing to payment delays? For example, are there too many links in the payment chain?
- Is there any recourse for grant recipients if payments aren't made on time?
- Do systems and delegations guard against internal fraud and corruption?
- SmartyGrants allows users to create budgets and record allocations and payments against applications. The funding overview section displays what was budgeted, how much has been allocated and what is remaining. These fields can then be used in other areas of the system, for example to create payment notification letters to recipients, at your discretion. Learn more: <https://www.smartygrants.co.uk/grantmaking-features/agreements>.
- The SmartyGrants Payments API allows you to connect your existing accounting or finance system to SmartyGrants through a HTTP/REST based JSON API. You can use it to list payments, retrieve payment details and change payment statuses. Note that use of our APIs requires the assistance of an in-house developer to manage implementation and ongoing maintenance.

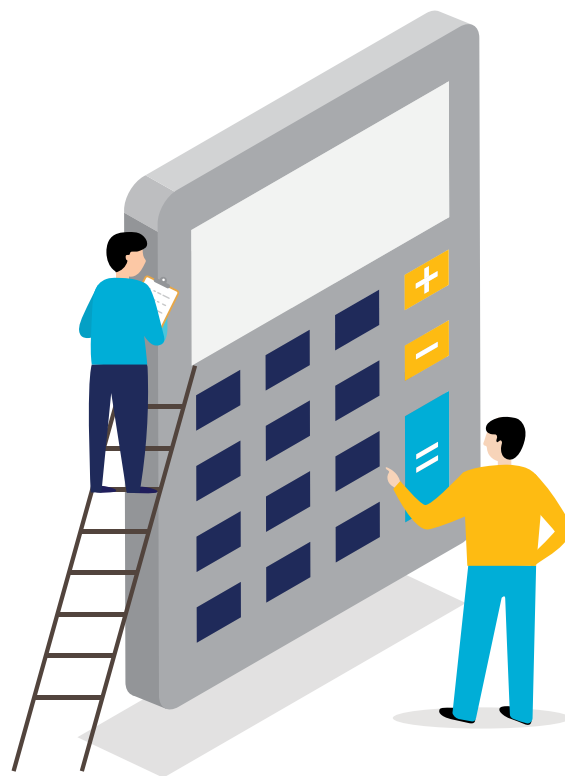
## RELATED TEMPLATES

Payment Policy:

<http://www.smartygrants.co.uk/Payment-Policy-UK>

## Tips

- If your systems and governance arrangements allow, you may wish to put in place different payment processes for different grant recipients to reflect the size of the grants and the risk profile of the grant recipients. For example, low-risk grantees may have large grant payments released automatically, while higher risk grantees may need to meet certain milestones before smaller, more frequent payments are released.



# Stage 7

## Monitor

# Stage 7: Monitor

## 7.1 MONITORING GRANTEE OUTCOMES

Monitoring the progress of activities funded by grants is an ongoing responsibility of both the funder and the grant recipient. The benefits of monitoring flow both ways, providing opportunities for both parties to build their relationship, share knowledge, and improve or refine their processes.

Grant monitoring and reporting processes should:

- Be proportionate to the level of funds, the capability and the assessed level of risk of grant recipients
- Be practical, in that they can realistically be implemented
- Actually check that the programme and its projects are on track at the time of critical milestones, and progressing towards programme outcomes
- Contribute to the building of relationships between funders and grant recipients
- Build the capacity and capability of the grant recipient.

Progress monitoring and reporting (including grant financial reporting) is often treated as a one-sided affair, with a focus on the grant manager checking that the grant recipient is delivering or has delivered according to the contract and pulling them into line if they're not.

However, if the relationship between funder and grant recipient is construed as a partnership, then there is another way.

'Positive action progress monitoring' is a process by which both parties agree that progress checks will be discussed and used as part of a continuous improvement process. If and when an issue arises, the parties cooperate to find a way to overcome it. For example, if the organisation that received the grant is not meeting its milestones because it has lost a key governance person, it might be agreed that a mentor administrator will be brought in for a period so others in the organisation can develop the required skills and get the project back on track.

Best practice grantmaking is centred on a learning rather than a punitive mindset. If a grantee sets out to achieve a certain goal, and does not achieve that goal, but knows and can communicate why they didn't quite get there, then the funder is well placed to learn from that information instead of labelling

the project a failure or the organisation unreliable. This can be a difficult switch for funders to achieve in practice but the benefits of doing so are manifold.

Monitoring and reporting are also key mechanisms for early identification of issues. Any issues that emerge through the monitoring and reporting process can be easily identified and strategies implemented to address them. The progress of any agreed actions should be recorded and stored in an appropriate record management system and fed back into subsequent risk assessments.

Having the ability to vary the original contract or agreement allows both parties to respond positively to changing circumstances.

When designing monitoring and reporting processes, then, consider these questions:

- How will checks be carried out? Written reports, phone calls, site visits, workshops, photos, videos?
- When will reports be submitted or checks carried out? At critical milestones, at regular periods, randomly or only on completion?
- Will reporting take the form of qualitative or quantitative information, or a combination of both?
- What action will be taken when either party doesn't deliver? Will they be penalised, or will the issue be discussed and resolved?
- Will the grant recipient or funder be able to initiate variations to the original contract?
- Will monitoring and reporting be passive or pro-active and developmental?
- Who will do the reporting and checking? Has someone from each party been identified?
- What are the critical items to be checked – inputs, outputs, outcomes, metrics, finances, organisational capacity, organisational capability?
- How will the information be recorded? In a database?
- Will the information be shared? If so, with whom?
- What action will be taken when milestones are achieved? Will success be celebrated in some way?

# Stage 7: Monitor

## RELATED TEMPLATES

Monitoring and Reporting Policy:  
[www.smartygrants.co.uk/Monitoring-Reporting-UK](https://www.smartygrants.co.uk/Monitoring-Reporting-UK)

## Tips

- Two-way monitoring and reporting can provide funders with opportunities to improve their systems and processes, and this can lead to better outcomes.
- Progress reports and final reports and financial reports can be cumbersome to manage if not done well. SmartyGrants allows you to monitor progress online, making it much easier to track and review progress reports and acquittals. Find out how: <https://www.smartygrants.co.uk/grantmaking-features/monitor>
- The SmartyGrants Contacts module allows you to record your interactions with grant recipients, including the outcome of any meetings or discussions about progress and reporting. Find out how: <https://help.smartygrants.co.uk/using-smartygrants/contacts/>





# Stage 7: Monitor

## 7.2 MANAGING PERFORMANCE AND VARYING AGREEMENTS

Good grants programmes ensure good outcomes by investing in positive, practical performance intervention strategies. For example, they might make funds available for audits, mediation, training, evaluation or mentoring, or facilitate negotiation of a variation to the contract. Many grants programmes, however, fail to articulate a performance management policy and fail to budget for dealing with performance issues or unexpected outcomes.

The best way to address performance issues is to anticipate them, plan an early intervention, and activate the intervention plan sooner rather than later.

An issues management policy, then, should be underpinned by principles of early intervention, prevention, development, including mentoring and coaching, and recovery.

If the size and profile of your grants programme demands it, a risk assessment of each funder–grantee relationship during the contract negotiation phase can identify concerns and early intervention strategies that could significantly reduce the risks. For example, if the grant recipient is an emerging organisation and there are concerns about the level of its governance skills, the parties might agree to mentoring for a period of time. If there are concerns about the organisation's capacity to deliver significant milestones in a short timeframe, the parties might agree on early warning triggers.

If your programme is undertaking risk assessments at the negotiation phase, they should not be 'set and forget'. Instead, they should be regularly revisited as new issues arise or critical information comes to hand. This ensures that funders can anticipate any problems and proactively work with grant recipients to implement any necessary controls.

Monitoring isn't just about performance management; you should also have an eye on how your grantee is progressing towards their outcome goals, and helping you to achieve yours.

When developing a performance management policy, you should consider these questions:

- What is your overall approach to dealing with monitoring funded projects and organisations, and managing organisations that fail to deliver on critical activities or milestones or act in inappropriate ways? Do you aim to be

developmental or punitive?

- Will your approach vary according to the level of risk and the significance of the breach? If so, how? For example, you might deal with a small, low-risk problem via an email or telephone discussion, and a large problem involving more money with more frequent attention and a more hands-on approach, such as site visits.
- If your general approach to issues management is developmental, what support options will you offer? Training, coaching, mentoring, workshops?
- If your general approach is punitive, what actions might you take in cases of breaches? A termination of contract, clawback of funds, withholding of funds for a period, transfer of sponsor?
- Is it clear who deals with issues at what level, and who decides what action will be taken?
- Within a punitive approach, what appeal processes would be appropriate?
- Should there be a point where a developmental approach changes to a punitive one? How will this be identified and implemented?
- Under what circumstances will variations to the contract or agreement be made?
- How are monitoring and reporting linked to evaluations and lessons learned?

### RELATED TEMPLATES

Performance Issues Policy:  
<http://www.smartygrants.co.uk/PerformanceIssuesPolicyUK>

### Tips

- There are various tools built into SmartyGrants that will allow you to check in regularly with grantees and monitor the performance and progress of funded projects, programmes and organisations. Ask us about the Outcomes Engine!
- Contract variation information can be collected via SmartyGrants and recorded against applications. The most straightforward way to do this is to create a contract variation form and have your applicants complete it online.

# Stage 8

## Close the grant

# Stage 8: Close the grant

## 8.1 REVIEWING FUNDING REPORTS AND CLOSING GRANTS

Funding reporting in grants is crucial in ensuring financial accountability and compliance, and in political and reputational terms as well.

The funding reporting process needs to support the overall purpose of the grants programme, including its objectives in relation to capacity-building, capability-building, fraud management, and value for money.

Typically, funding reporting is carried out at the end of a project (often within eight weeks of completion). Grant recipients often see it as an afterthought or a burden rather than as a process that is integral to good governance and good project management.

If you are working with established organisations with good track records, then an end-of-project or post-project financial report is appropriate – they are used to doing it and are likely to see the connection with other aspects of the project. But when you are working with new or emerging organisations, it may be worth reporting on funds progressively, at each milestone, as part of the performance management and capacity building process. This reduces the risks and identifies any need for developmental-type intervention.

Note that reporting should not be just about finances. It can also be concerned with project outcomes (see 'reviewing funded projects' later). Finances and project outcomes are discussed separately in this toolkit, but your organisation may wish to combine them into one report.

In developing a financial reporting policy, you should consider these questions:

- What are the purposes of the final report? Is it to account for money spent only, or will programme outcomes be considered also?
- Where will funding reporting policy information be presented? In programme guidance notes, contracts or both? It's important that the policy is understood from the very beginning (perhaps even pre-application) by both funder and grant recipient. Everyone needs to know what's required.

- When will funds be reported on?
- Who will be responsible for funding reporting from both the funder's and grant recipient's perspectives?
- What format will you require for the funding report?
- What action will be taken should funding report be deemed inadequate?
- Is the financial reporting policy linked to the level of financial risk?
- How often will funds be reported on? Progressively or only at the end?
- What level of sign-off do you require on the funding report?
- What part, if any, will an auditor's annual report play in grant financial report?
- What is your policy and process with regard to unspent funds?

### RELATED TEMPLATES

Funding Reporting Policy  
<http://www.smartygrants.co.uk/FinancialAcquittalPolicyUK>

### Tips

- One size does not fit all. Funding reports need to be tailored to the risk profile of a grant recipient, taking into account the recipient's track record and their likely ability to manage grants.
- Ask only for the information that you need in order to determine the grant has been spent appropriately. Review your funding report form annually to ensure superfluous questions haven't slipped in over time.
- SmartyGrants gives you the ability to create and record your own funding report review forms for each project. You can also track the whole process. Find out how: <https://smartygrants.co.uk/grantmaking-features/close-the-grant>

# Stage 8: Close the grant

## 8.2 REVIEWING FUNDED PROJECTS

Reviewing the outcome of an individual project involves more than just evaluating its success or failure based on agreed (contracted) criteria. Yes, it is important to consider what outputs and outcomes were achieved, but it is also important to consider what can be learned from the project.

Project evaluation is an important opportunity for the funder and grantee to reflect on the project, and to consider achievements and lessons learned, all of which can be fed into continuous improvement. This can be useful to you, to the grantee providing the report, and to future grantees as well.

If grantees are incentivised only to reflect on their achievements, then that's all they'll report on and funders will miss out on opportunities build grantee capability and improve future outcomes. Funders can assist grantees to fearlessly reflect on their projects by taking a collaborative approach, working to build trust and mutual respect. SmartyGrants template grant report forms model this approach.

Interactions with grantees during the monitoring and reporting process will provide the foundations for a good relationship, engendering frank conversations over the course of the grant and a holistic end-of-grant project review.

The purpose and outcomes of a programme should be clearly articulated in the guidance notes and grant recipients should have been asked earlier in the process to show how they will help you achieve those programme outcomes. If the purpose of an individual grant has not been stated specifically in an objective and measurable way, there is no way of knowing whether the specific product, service or outcome has been delivered.

Project reviews and outcomes should not be confused with programme evaluations, which are covered later. They are connected but not the same. Project outcomes usually contribute to higher-level programme outcomes, but only in the sense that the programme is the sum of the projects.

A project review is often carried out at the same time as the final funding report, and the two processes are often documented in one final project report.

In developing a project review policy, you should consider these questions:

- What is the process for negotiating and reporting on practical, clear and measurable aims, target metrics, outputs, milestones or outcomes for each individual project?
- When will individual project assessments occur?
- Will the review be based on the regular milestone reports or will it be in addition to ongoing reporting and monitoring arrangements?
- What form will reporting take? A standardised template, verbal reporting, video or photographic evidence?
- Will you take a punitive or a learning approach? How will you reflect your chosen approach in your forms and other interactions?
- How is the project review linked to the funding report?
- What methods will be used to gather the indicator data?
- How will the data from the assessment be recorded?
- How will the data be analysed and by whom?
- What action will be taken if the review is not satisfactory? Who will take that action?

### RELATED TEMPLATES

Project Review Policy:  
<http://www.smartygrants.co.uk/ProjectReviewPolicyUK>

### Tips

- It needs to be clear from the outset what role the grant recipient will need to play in the project review, and what assistance (if any) will be provided to help them achieve those aims.

# Stage 9

**Evaluate and share**

# Stage 9: Evaluate and share

## 9.1 EVALUATING THE PROGRAMME

Programme evaluation means reviewing the overall success of your whole grants programme. It investigates not only the programme outcomes achieved by the sum of all the projects (the 'what'), but also the management and delivery processes (the 'how').

Did the grants you awarded actually help to achieve the overall goal of your programme? Remember: for organisations that are committed to learning, failures are as useful as successes (particularly so if you come away with some idea about why the failure occurred).

The results of an evaluation are usually used to confirm or modify the programme's goals, design and management system. Programme evaluation should be woven into every aspect of your grants programme, not just bolted on at the end. In designing and conducting a programme evaluation, you should consider these questions:

- What is the purpose of the programme evaluation? Justifying expenditure, attracting more funds for the programme, discovering what works and what doesn't?
- Who is the audience for the evaluation report? The programme owner, governments, boards, councils, grant recipients, the community?
- What are the key research questions the evaluation will need to answer? For example, did one approach work better than another across the whole programme? Were grants successful in certain locations and not others?
- Will benchmarking data be required to provide a before-and-after comparison?
- How much of the data could be collected as part of the contract development, monitoring, reporting, funding reports, project assessments, performance and issues management, lessons learned, 'stories' and case studies?
- Who are the stakeholders? Governments, trusts, grant recipients, the community, academia, peak bodies, the grantmaking community, NGOs?
- Who will undertake the evaluation – internal or external people?

- What will the evaluation cost? Have the costs been factored into the programme budget?
- What data will be required to answer the key evaluation questions?
- Will the records system (e.g. SmartyGrants) be integrated and constructed in a way that allows critical fields to be analysed (e.g. by using standard fields)?
- How will the evaluation report be used?
- How will it be disseminated?
- What's the deadline for completion?
- Will it be an action research, formative or summative evaluation?

### RELATED TEMPLATES

Grants Programme Evaluation Strategy:  
<http://www.smartygrants.co.uk/ProgramEvaluationStrategyUK>

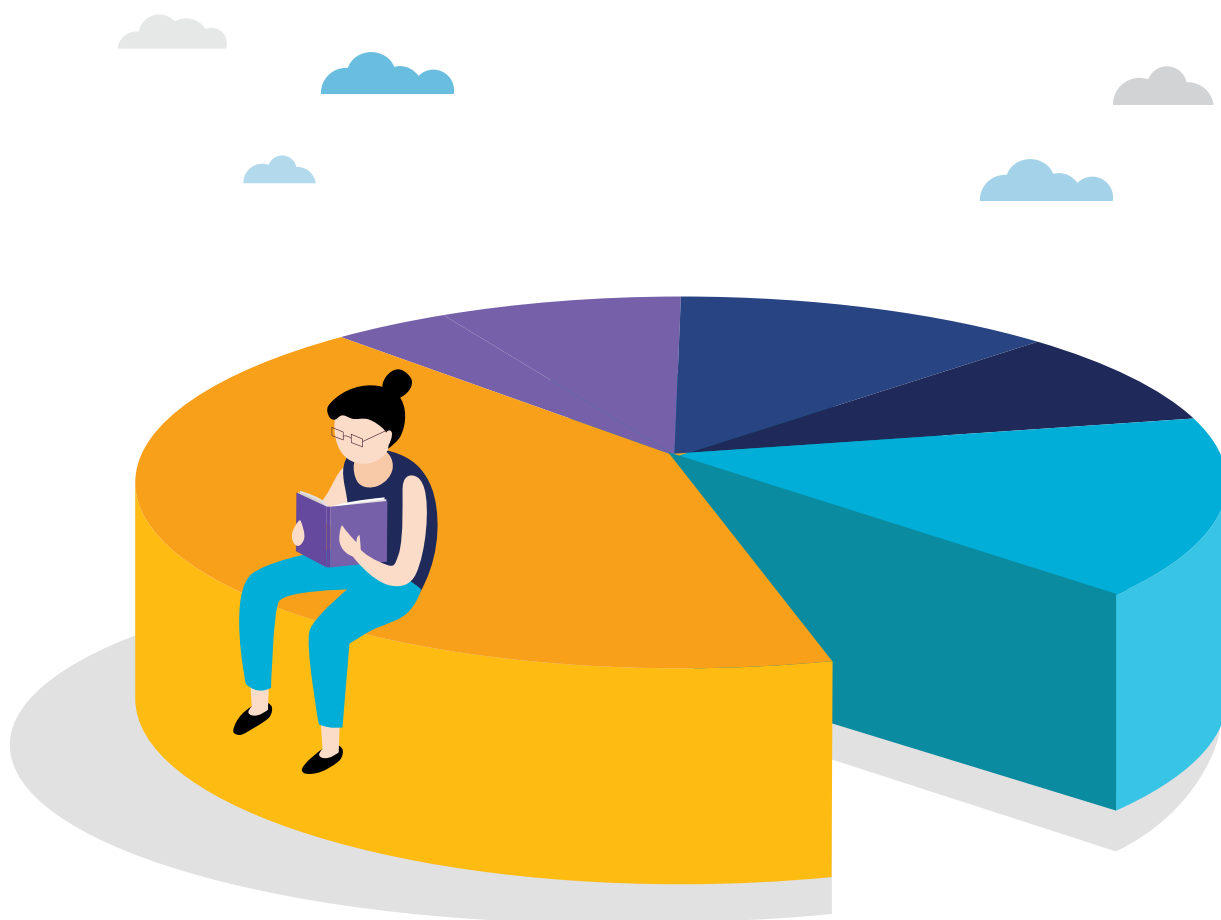
You may also wish to develop data-gathering templates or survey forms for evaluation purposes.

### Tips

- Summative evaluations usually focus on looking at outcomes at the end of a programme, while formative evaluations focus on implementation processes as they unfold. Programme evaluations that combine both summative and formative approaches provide an opportunity for continuous improvement.
- SmartyGrants provides users with the ability to build and copy form templates and use standard fields, and thus provides powerful reporting capabilities. Many users create evaluation form templates to record evaluation details against each project, allowing them to easily extract the information they need to evaluate their entire programme. Learn more:  
<https://www.smartygrants.co.uk/grantmaking-features/close-the-grant>

## Stage 9: Evaluate and share

- SmartyGrants comes with a dashboard that has a set of graphical widgets to give you insights into your grant programmes in the form of graphs. These graphs can be customised to show particular data and are a great way to quickly review your grant programmes. They can be exported in picture format for inclusion in board reports or similar documents.
- SmartyGrants has a powerful reporting engine that enables users to extract from the system the exact data they need to review their programmes. This data can be exported in various formats, and the extraction can be scheduled to be emailed at a particular time. Users can then slice and dice this data however they need, or feed it into another system, such as a CRM, document management system, or data visualisation tool.



# Stage 9: Evaluate and share

## 9.2 SHARING LESSONS LEARNED

What works best in grants management becomes part of best-quality grantmaking practice only when funders and grant recipients are willing to share the lessons they have learned. Crucially, as noted earlier, learning from failures can be as useful as learning from successes. If you know why a failure has occurred, you can avoid those factors next time.

Grantmaking generates several different ways of knowing and learning. There are the lessons that funders learn about their own their own performance – how efficiently the grants were administered, how beneficial was the support provided by the funder, etc. Funders may set targets in relation to the factors that indicate programmatic success and might consider sharing their results among internal or external stakeholders.

Grantmaking, when done well, also generates knowledge about what works to achieve the outcome goals set by the funder, as well as the (hopefully related) outcome goals set by grant recipients. Funders can amplify the benefits generated by their funds by sharing those lessons back to grantees, and more widely.

Identifying lessons is easier if mechanisms are built into the programme design and process to identify and harvest such knowledge. Ideally, both funders and grantees should be clear about their outcome goals, and both parties should seek to identify and document lessons as they become known, rather than waiting until the end of the programme when memories have faded. It's wise to emphasise to grant recipients and programme staff that this will be part of their ongoing work.

Making the best use of lessons learned requires a learning rather than punitive mindset. Respectful engagement through formal or informal monitoring and reporting provides an opportunity to build collaborative partnerships where grantees can feel safe giving and receiving feedback, discussing issues as they arise and suggesting possible solutions. These interactions also provide an opportunity for funders to receive feedback about the operation of their grants programmes, learning about their own performance, what is working and what can be improved. Grants programmes, both individually and collectively, become more efficient and achieve

better outcomes when lessons learned are shared and implemented.

When designing a strategy for sharing lessons learned, you should consider these questions:

- With whom will the lessons learned be shared? The whole organisation; only the management; the programme owner; others in the sector; the grantmaking community at large; the grant recipients; the communities worked with?
- What and how much will be shared?
- What form will the sharing take? Articles in newsletters; conferences; setting up grants programme communication networks; local workshops; reports; websites; databases; publications; community noticeboards?
- Who will take responsibility for the quality of what is shared, and will there be some form of veto or control?
- Will the commitment to sharing lessons learned be reflected in promotional and contractual documents?
- Who decides?
- Who will share lessons – will this include grant recipients?
- How will information be collected and formatted?
- Who will collect and format the information?

### RELATED TEMPLATES

Lessons Learned Strategy:  
<http://www.smartygrants.co.uk/LessonsLearnedStrategyUK>

### Tips

- Though they're not always easy to share, lessons about what didn't work can be as useful and instructive as lessons about what did work, or even more so. Funders who seek a cooperative, non-punitive relationship with grant recipients tend to be more successful at eliciting lessons of this nature.



# Appendix

## Policy Templates

# Appendix: Policy templates

The Grantmaking Toolkit comes with online access to more than 20 templates covering all the pillars and elements of grantmaking. Most of them are policy templates. All these templates are available to view and download from the SmartyGrants website. We've provided a handy summary of them here.

When you purchased your toolkit, you will have received your personalised link to the online templates. Please contact **[service@smartygrants.com.co.uk](mailto:service@smartygrants.com.co.uk)** if you are having difficulties accessing these templates, or you have misplaced your personal link.

## Stage 1: Plan and Design

Grants Programme Overview:

**<http://www.smartygrants.co.uk/GrantsProgramOverviewUK>**

Grants Programme Stakeholders:

**<http://www.smartygrants.co.uk/GrantsProgramStakeholdersUK>**

Operational Framework:

**<http://www.smartygrants.co.uk/OperationalFrameworkUK>**

Sample Programme Guidance Notes:

**<http://www.smartygrants.co.uk/SampleProgramGuidelinesUK>**

Eligibility Assessment Criteria:

**<http://www.smartygrants.co.uk/EligibilityAssessmentUK>**

## Stage 2: Record keeping

Records System Policy:

**<http://www.smartygrants.co.uk/RecordsSystemPolicyUK>**

## Stage 3: Identify Outcomes Agents

Managing the Application Process:

**<http://www.smartygrants.co.uk/ManagingApplicationProcessUK>**

Programme Promotion Strategy:

**<http://www.smartygrants.co.uk/ProgramPromotionUK>**

## Stage 4: Assess and decide

Application Assessment Policy:

**<http://www.smartygrants.co.uk/ApplicationAssessmentPolicyUK>**

Assessor Deed of Confidentiality and Conflict of Interest Disclaimer:

**<http://www.smartygrants.co.uk/AssessorConfidentiality-COI-UK>**

Sample Comparative Assessment Form:

**<http://www.smartygrants.co.uk/SampleComparativeAssessmentUK>**

# Appendix: Policy templates

Decision-Making Policy:

<http://www.smartygrants.co.uk/DecisionMakingPolicyUK>

Decision-Making Table:

<http://www.smartygrants.co.uk/DecisionMakingTableUK>

Decision-Making Form:

<http://www.smartygrants.co.uk/DecisionMakingFormUK>

## Stage 5: Notify

Announcing Successful Applicants Policy:

<http://www.smartygrants.co.uk/AnnouncingSuccessfulApplicantsUK>

Unsuccessful Applicants Policy:

<http://www.smartygrants.co.uk/UnsuccessfulApplicantsPolicyUK>

## Stage 6: Agreements

Contracting Policy:

<http://www.smartygrants.co.uk/Contracting-Policy-UK>

Payment Policy:

<http://www.smartygrants.co.uk/Payment-Policy-UK>

## Stage 7: Monitor

Monitoring and Reporting Policy:

<http://www.smartygrants.co.uk/Monitoring-Reporting-UK>

Performance Issues Policy:

<http://www.smartygrants.co.uk/PerformanceIssuesPolicyUK>

## Stage 8: Close the grant

Funding reports Policy:

<http://www.smartygrants.co.uk/FinancialAcquittalPolicyUK>

Project Review Policy:

<http://www.smartygrants.co.uk/ProjectReviewPolicyUK>

## Stage 9: Evaluate and Share

Grants Programme Evaluation Strategy:

<http://www.smartygrants.co.uk/ProgramEvaluationStrategyUK>

Lessons Learned Strategy:

<http://www.smartygrants.co.uk/LessonsLearnedStrategyUK>



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