

IMPORTANT NOTE: During the updating of this guide, new and important regulations were introduced by the federal government that had not yet been confirmed and not included in this guide. These include new rules governing charitable partnerships with non-qualified donees (“qualifying disbursements”) and a new disbursement quota rate. PFC and CFC have agreed to make this guide available, with the above caveat.

- Sara Krynitzki, Philanthropic Foundations Canada & Tracey Vavrek, Community Foundations of Canada, 2024

Grantmaking Toolkit for the New Decade



COMMUNITY
FOUNDATIONS
OF CANADA



Philanthropic
Foundations
Canada

Acknowledgments

Grantmaking for the New Decade

This 2022 version includes content from an earlier PFC publication entitled *Good Grantmaking: A Guide for Canadian Foundations* by Patrick Johnson, published in 2015.

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For all other organizations wishing to quote the material in this guide, references to or simple excerpts from this publication can be made with proper acknowledgement of PFC and CFC, the publication's full title and date of publication. Those wanting to adapt or use the material in this publication more substantially **must contact PFC or CFC**.

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Whenever possible, the source material for this guide has been drawn from the experiences of Canadian foundations as well as the grantmaking practices of grantmakers in other countries, especially the US, the UK, Australia, and New Zealand. Many of these sources are listed in the Resources section at the end of this guide. The PFC and CFC websites are also rich sources of information on all aspects of grantmaking practice and are regularly updated.

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Philanthropy in Canada is undergoing a major shift

In response to the COVID-19 pandemic, the ongoing racial justice movement, and climate change, many funders have stepped up and adapted to the crises and are adjusting their support to grantees.

In acting quickly and decisively, it is vital that philanthropic responses also reflect on existing bias, systemic and institutional racial inequity, for equitable outcomes in their giving.

Canadian grantmakers are diverse in terms of their history, asset size, geographic scope, field of interest, staff and volunteers, and mission. Grantmaking practices vary from one grantmaker to another and those appropriate for one grantmaker may not be suitable for another. Grantmaking is probably best described as a craft requiring a unique combination of skills, competencies, and expertise. It is sometimes art, sometimes science. To be effective, grantmaking practices must be tailored to the unique context of each grantmaker.

Grantmakers are becoming more visible and are playing an ever-increasing role in shaping the communities of the future, both in Canada and abroad. As conditions and environments change, grantmaking models have also evolved.

Background



2015

In 2015, Philanthropic Foundations Canada published the first version of [Good Grantmaking: A Guide for Canadian Foundations](#). However, grantmaking practices evolve rapidly as learnings and new practices develop over time to improve impact and adapt to the changing context.



2018

In 2018, the Guide was revisited during a Grantmaking webinar series to reflect developments in the practice of grantmaking. In addition to the basics of grantmaking, the webinar series helped to provide an opportunity to highlight emerging issues at the time, such as funder-grantee relationships, trust-building, being aware of “unconscious” biases and assumptions, listening openly and how being aware of these imbalances and doing our work as funders are essential to effectively working together. The series also highlighted the potential role grantmakers can play in advocacy, cross-sectoral collaboration, building a learning culture and sharing knowledge.



2019,
2020

In 2019, Philanthropic Foundations Canada developed two additional toolkits looking at crucial issues such as [diversity, equity and inclusion in grantmaking](#) and governance and [gender-lens philanthropy](#). In 2020, a series of tools were developed in the context of the COVID-19 crisis to support grantmakers in their work, covering a wide array of issues relevant to these unprecedented times, and ranging from [Learning and evaluation practices in times of crisis](#), [Social inequalities](#), [COVID-19 and foundations’ response](#), and the [Unfunded report](#) developed by the Foundation for Black Communities.

Community Foundations of Canada has also released resources tailored to the community foundation network, including but not limited to; [Feminist Grantmaking](#), [Feminist Grantmaking: Shifting Practices for a More Promising World](#), [Trust-Based Philanthropy](#), [working with non-qualified donees](#), and a [crisis guide](#). The entire resource library can be [accessed here](#).

Purpose

This guide was developed by Philanthropic Foundations Canada and Community Foundations Canada as a resource for good practices for all Canadian grantmakers, both those who are established and those who are new to the field.

Good practice in grantmaking is a means to become more effective, and to have greater positive impact in Canadian communities and around the world.

More now than ever, it is the time to challenge the status quo and adapt to current and future challenges. Here, you will find an overview of essential grantmaking steps and several lessons and considerations to support your practice. COVID-19 presented a major test of collectivity and solidarity for Canadians.

During uncertain times, we all have a role to play. As a philanthropic community, there are several things grantmakers can do during a pandemic. We can help by acting quickly and collaboratively. As the practice of grantmaking continues to evolve, more rapidly when we are presented with crises, PFC and CFC have joined forces to provide the philanthropic community with additional and much-needed tools to support grantmakers in their work. This guide builds on these and other existing tools and provides guidance and practical tips to move one step further.

The **Grantmaking Toolkit for the New Decade** will be of particular benefit to you if you are new to grantmaking, whether you are involved with a new or emerging private, public or community grantmaker, a Board member or staff that has joined an established grantmaker. We've included in the guide checklists at the end of each section. These can serve as a roadmap on the steps to developing your granting program.

This Guide is accompanied by a set of **Promising Practices Companion Sheets** – practical worksheets that can advise, guide, and build upon your knowledge as you work through the Five Stages of Grantmaking. Look for the symbol below to find the practice sheets.

If there is one key take-away for users of this guide it is this: When it comes to grantmaking practice, one size doesn't fit all.

With input from the charitable and nonprofit sectors, leaders in the Canadian nonprofit sector have outlined 5 guiding principles to assist grantmakers in supporting their grantees through a crisis:

1. be flexible, pragmatic, and proactive in grantmaking
2. collaborate on or contribute to emergency funds at the community and national levels as the emerge
3. stretch and deploy expertise and funds to protect the capacity and resilience of nonprofit organizations
4. support advocacy
5. take the long view, and stay engaged

Build your learning culture

Organizations with strong learning cultures can adapt and innovate to make sense of new realities and adjust accordingly.

There is no one way to become a learning organization nor is there an end state. A healthy learning culture in one organization may look different in another. Learning by its nature is an ongoing process. However, there are practices and processes that can be put in place to enable learning to take place. Developing a learning culture in a time where staff and board have less ability to connect with one another in person is particularly important. To create a trusting space, consider how conversations are enabled, hosted, and facilitated. There is a balance to be struck between ensuring good lines of open communication and supporting staff with understanding different work-at-home environments, connectivity and technological issues, and overall work-life balance.

At a high level, research suggests that the following elements exist in strong learning cultures:

- learning is a habit;
- learning goals are clear;
- deep questions get asked;
- the organization is ready to act on what it learns;
- learning is inclusive and engages partners; and
- leadership drives organizational learning.

GRANTMAKING TOOLKIT FOR THE NEW DECADE


Before Making The Grant

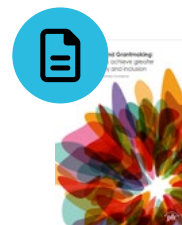
Preparing the Framework

The first part of this framework – the legal rules – is common to all registered and/or incorporated grantmakers.



The remaining parts – vision and mission, style, philosophy and criteria – are decided by grantmakers' individual decisions, choices, and priorities.

Understand the Legal Context

All charitable foundations in Canada are registered with the Canada Revenue Agency (CRA) and [information on these charities is publicly available](#) . CRA administers the rules that determine the minimum that a foundation must disburse in grants each year and to whom grants can be disbursed (registered charities or other qualified organizations). A foundation may be constituted as a trust or incorporated as a not-for-profit corporation under provincial or federal legislation and therefore regulated under the provincial or federal corporate or trust legislation. These regulatory frameworks make up the basic rules under which a foundation operates. Foundation directors and staff members have an obligation to understand and ensure that the foundation is in full compliance with these rules.



RESOURCE ALERT

More information can be found in [Governance and Grantmaking: Approaches to achieve greater diversity, equity and inclusion](#)  available from PFC and the [Fact Sheet: Regulatory Checklist - A Governance Risk Management Mitigant for CFC](#)  from CFC.

Find a Focus

In 2022, close to **86,000 organizations** were registered as charities with CRA. All are eligible to receive grants from Canadian grantmakers.

These charities are large and small. Some operate at a national or international level, but most are regional, or community based. Some have paid staff, but most are run by volunteers. They work in all charitable fields of interest, including education, health care, arts and culture, religion, the environment, international development, and social services, among others.

The choice of eligible grant recipients available to grantmakers is broad. As a result, every grantmaker would benefit from focusing on specific charitable fields of interest, activities, community needs, and organizations. It may do so by building on a donor's intent, by identifying a common interest of the family or directors, by working alongside community leaders to identify the greatest needs, and/or scanning the landscape to find the gaps or a niche or by collaborating with other funders who are leading in a particular field.

Many grants are established by donors who already have a mission for a specific cause, service, or target population. These leaders shaped the focus of their work from the beginning. Where the original founders or donors are no longer involved, it can be useful to revisit, reaffirm, or revise that original passion of the founder.

If a donor is looking for a new focus, they can reach out to experts in a field, community leaders, or consult with peers to identify possible areas of focus. The bottom line is to find a focus that energizes and shapes a grantmaker's giving while remaining relevant in terms of community needs.

VitalSigns®



FROM THE FIELD Vital Signs

Several community foundations focus their grantmaking by using their [Vital Signs](#) report that gathers local data to support evidence-based, locally relevant solutions to improve the quality of life at the community level. And many foundations have started using the [CFC SDG Guidebook and Toolkit](#) as a framework to align their grantmaking identifying their priorities to advance peace and prosperity for people and the planet.

Scan the Landscape


Your mission helps you to focus on your field(s) of interest. Now you can take the step of scanning the landscape.

Some grantmakers engage external consultants to undertake a needs assessment or scan the landscape. Others use a participatory model that engages community stakeholders to identify their specific challenges and opportunities to guide the grantmaker's investments. Smaller grantmakers can use simpler methods to perform their own assessments. A grantmaker's Board of Directors could host a working lunch or dinner, for example, and invite individuals known to be experts and community leaders in a particular field. They may also want to invite or consult with other funders active in their field. This has the added advantage of identifying possible opportunities for collaboration.

While a needs assessment is very useful for new or emerging grantmakers, it is also good practice for established grantmakers and especially those exploring a new field of granting. It helps determine what others in the field are doing and identify potential funding gaps.



RESOURCE ALERT


A useful reference document for assessing needs is [Scanning the Landscape 2.0](#) by Grantcraft 

SCANS ARE USEFUL TO IDENTIFY:

- gaps in existing funding for charities, qualified donees, and non-qualified donees*,
- effective organizations or approaches to complex issues that have generated some evidence of positive impact,
- where innovation could be helpful and where the foundation could make a difference. Another reason is to try to avoid duplicating the work of other funders;
- areas for potential funder collaboration. Many foundations will eventually find themselves working alongside other funders with similar interests. Finding out who is in the field before launching into a grant is a more effective use of resources.
- include diverse perspectives and community voices to create collaborative conversation and action that align with community priorities.



RESOURCE ALERT

To learn more about granting to non-qualified donees, see [PFC's A Primer for Working with Non-qualified Donees](#) 

Define grantmaking philosophy and style

Each grantmaker is unique and has, or will develop, its own organizational culture. Two key characteristics that differentiate one grantmaker from another are style and philosophy.

Canadian grantmakers use a variety of approaches to grantmaking. A useful way to think about these approaches or styles is to classify your style such as responsive, proactive hybrid, or participatory and trust-based.

Responsive

A grantmaker will review every grant request received, if it is consistent with the grantmaker's mission, goals, and grantmaking criteria. This style could be used during the early stages of a grantmaker's life or when an established grantmaker develops a new grantmaking program.

Proactive

Some Canadian grantmakers state that they do not accept or consider unsolicited grant requests. Instead, they identify effective charities working in areas that correspond with the grantmaker's interests and they proactively invite grant proposals. Some smaller, unstaffed grantmakers also adopt this strategy. It can be one way of managing a huge volume of grant requests. Larger, established grantmakers may adopt this style because they have a well-defined set of strategies for achieving their goals.

Hybrid

Some grantmakers incorporate both responsive and proactive styles or use other ways of soliciting requests that combine elements of both. For example, a grantmaker might set out areas of focus and overall goals and invite letters of intent from any charity that could help it work towards these goals. Or it might choose to run its own awards program for charities, define the eligibility criteria, and sponsor an open and public competition with a decision made by a juried panel.

Participatory and trust-based

A growing number of grantmakers are exploring ways to democratize their granting decisions. "Participatory grantmaking cedes decision-making power about funding decisions—including the strategy and criteria behind those decisions—to the very communities that a foundation aims to serve." (from *Deciding Together: Shifting Power and Resources through Participatory Grantmaking*). This style involves shifting power in grantmaking decisions and uses a "nothing about us without us" frame that invites those who benefit from funding to determine the priorities of their own lives. This involves activities such as incorporating grantee feedback into grant guidelines and strategy development, inviting non-grantmakers to sit on grantmaker boards and decision-making with those most affected by the desired impact. Ultimately this style is deeply rooted in building trust and addressing power imbalances between the funder and the grantee.



SEE

Promising Practices:



➔ [Companion Sheet #1 on Participatory/Trust-based grantmaking](#)
pg. 41-42



➔ [Companion Sheet #2 on Feminist Grantmaking](#)
pg. 49-50

Develop Grantmaking Philosophy

Most grantmakers have their own philosophy about the grantmaking process which can be described as a collective view about how the grantmaker can best accomplish its mission and achieve impact.

A grantmaker's grantmaking philosophy shapes its organizational culture, and includes Trust-Based Philanthropy as a frame. Julia Unwin, a UK expert on philanthropy, suggests the following three categories as a way of defining a philosophy, although this set of categories is by no means exclusive.

[The Grantmaking Tango: Issues for Funders by Julia Unwin](#) 

Service/Program Delivery

This philosophy focuses on supporting an existing activity or service or expanding that activity to underserved communities or populations. Grants might also be awarded to support the search for new interventions, but the focus is always on maintaining or enhancing service provided to individuals.

Capacity Building

Rather than funding specific services or activities, this philosophy allocates resources to build the strategic, financial, and operational capacity of a select group of charities. The primary purpose of the funding is to support the organization, rather than the specific services it provides.


Systems Change

This philosophy focuses on developing evidence and engaging policy and decision makers who can affect systemic change. Grants might be awarded for evidence-based and policy relevant research, for example, or to charities that are campaigning or advocating for public policy change in a particular field of interest.

Defining, articulating, and communicating its own philosophy may be useful for grantmakers by making the task of grantmaking easier. It can also enable grantseekers to make more informed decisions about their prospects for funding from a particular grantmaker.



RESOURCE ALERT

More information can be found in a [The grantmaking tango: Issues for funders](#) 

Define internal criteria

It may be worth spending some time to develop criteria that the grantmaker will use to select grant proposals.

These criteria reflect and flow from the grantmaker's mission, goals, style, and philosophy. But they should go beyond that to include the more detailed and specific factors that the grantmaker will use in assessing individual grant requests.

Clarifying a grantmaker's grantmaking criteria:

Increases efficiency

A set of selection criteria can increase the effectiveness and efficiency of the grantmaker's internal decision-making process. The clearer the criteria, the easier it can be to differentiate those grant requests that are eligible and consistent with the grantmaker's mission, from requests that are ineligible or inappropriate.

Makes it clearer when to say no

Having grantmaking criteria makes it easier for a grantmaker to decline a funding request. While a charity will never welcome the news that its grant request was declined, it is more likely to accept a "no" answer if it understands the criteria used to make the decision.

Some grantmakers choose to make public the criteria that they will use to assess a proposal. This can reduce the number of ineligible requests that a grantmaker receives. Charities want to use their valuable time preparing requests for grants that they are more likely to receive.



QUICK TIP

To help a foundation board and staff determine their level of grantmaking funds for a given year, it is a good practice to develop a written policy and annual disbursement targets, considering:

- the 3.5% legal minimum requirement,
- the asset allocation investment policy set by the foundation,
- pre-existing grants commitments,
- whether or not projects are multi-year; and
- how much of the disbursement will be reserved for urgent or discretionary needs



CHECKLIST

Preparing the Framework

- ☐ Understand the legal context
- ☐ Find a focus
- ☐ Scan the landscape
- ☐ Define grantmaking philosophy and style
- ☐ Define internal criteria

Outreach

It is critical that you don't work in isolation when developing your granting program.

Here are some useful tips to ensure that the community is aware of and can access your information:

- consult with community stakeholders throughout the process
- build relationships with community organizations and conduct targeted outreach
- share information, make available on your web site and include in your social media outreach
- host public information sessions virtually for greatest accessibility
- keep it simple: move the application process to digital and/or video or verbal applications to allow for easy access of the application

Develop grant proposal guidelines

It is good practice for a grantmaker to offer detailed guidelines to help potential grantees develop a proposal. This practice helps the charity make efficient use of their time resulting in the grantmaker being more likely to only receive the level of information they need to make a granting decision.

Understand application basics

Reviewing your application process can help ensure that it is not overly demanding for grantseekers. This is especially important when granting during a crisis (see [PFC's Guide to Learning in a Time of Crisis](#)[↗], or CFC's [Crisis Guide](#)[↗]) and for more trust-based approaches to grantmaking. While each grantmaker may seek information specific to its unique funding interests or criteria, only requesting the information that is necessary to make an informed decision can simplify the process. **Indeed, this is an area where funder collaboration can be helpful. Many charities spend a significant amount of time on completing multiple and varied grant applications.** If grantmakers work with others in the same field of interest to agree on a basic common application, this could be of great benefit to charities with limited resources.

Application guidelines can:

- help potential grantees determine the extent to which their funding request is aligned with the grantmaker's priorities and granting criteria,
- help applicants decide whether to apply, and if so, understand the process to submit a grant proposal
- ensure the grantmaker receives the level of information they need to make an informed decision.

Application guidelines could include:

- statement of grantmaker purpose and objectives
- statement of grantmaking criteria
- geographic scope and/or limitations
- target population
- application format and process
- exclusions – a listing of ineligible organizations, projects, or expenditures
- grant range – minimum, maximum, or typical value of grants awarded
- grant duration – single, one-time grants or multi-year grants
- application deadlines
- timeframe for decision-making

Stage the process: grant application formats

Phone calls and/or emails

Some grantmakers encourage or require potential applicants to email or phone before submitting a proposal in writing. While this step may be initially more time consuming and demanding for grantmaker staff, it ensures that grant requests are a better fit with the grantmaker's goals and philosophy.

Letter of intent

Many Canadian grantmakers require a brief letter-of-intent (LOI) before they will consider a detailed grant application. Those submitting LOI's most aligned with the grantmaker's granting criteria are invited to submit full proposals. Neither potential applicants nor grantmaker staff or Directors have to waste their time preparing or reviewing lengthy applications that are not aligned with the granting criteria.

Full proposal guidelines

Grantmakers that use a LOI to screen applications generally provide detailed guidelines to those LOI applicants invited to submit full proposals.

Online applications

Many grantmakers are now using their websites both to screen potential grantees and to enable applicants to submit their requests electronically. Grantmakers sometimes have these publicly available on their websites so that grantseekers can download them at any time to prepare their applications.

Video or verbal applications

Instead of prioritizing grant writing as a skill, video or verbal applications in-person or by telephone can focus on the program and impact of the program, as well as being more inclusive.



FROM THE FIELD

Through an equity and inclusion lens

In 2013, the London Community Foundation created the 'Community Vitality Grant with \$250,000 of unrestricted funds to support community members who embarked on innovative projects that focus on a systems change approach, improving the quality of life of people in London in a multitude of ways. The funds being unrestricted means the London Community Foundation can ensure the grant supports advancements in philanthropy that embody "Nothing about us, without us."



FROM THE FIELD

Partnerships, collective impact and sustainability

The Greater Saint John Community Foundation's Anniversary

Grant is an annual project-based grant awarded to an applicant that is striving to address an identified community need and demonstrates strong partnerships, collective impact and sustainability. Three shortlisted applicants receive an invitation to submit a full application and present in person (Dragon's Den style) to the Community Investment Committee. The Committee's grant recommendation is presented to the Foundation's Board of Directors for final approval. Projects that rank in 2nd and 3rd place will each receive a smaller grant as well.

Invitation Only, No Application

Although it is not common, some grantmakers choose to forego a formal application process altogether. Some choose to invite organizations based on very specific funding interests.



FROM THE FIELD

Shifting power and expanding community trust

Moving to trust-based approaches is allowing some foundations, including the **Comox Valley Community Foundation**, to embed community input. Alongside simplifying applications, funding operational costs, creating review committees with community representatives and building multi-year, unrestricted funding arrangements, they have also explored ways to shift power to community decision-making.

Consensus and community decision-making

To distribute funding to support organizations serving adults with intellectual and physical disabilities, they invited eight community organizations to determine how best to distribute the funding. They hired a facilitator with expertise in consensus decision-making, and the organizations decided on the process for evaluating applications and how much to fund organizations. It resulted in increased collaboration and decisions that best served the overall community.

"The results of this pilot surpassed our greatest expectations and offered a way to incorporate consensus and community decision-making into our granting processes." Susan Auchterlonie, Executive Director at the Comox Valley Community Foundation

Define grant exclusions

Informing grantseekers about which activities are not eligible for funding can be very helpful to both grantmakers and charities by reducing inappropriate grant applications.

EXAMPLES OF INITIATIVES THAT SOME GRANTMAKERS DO NOT FUND INCLUDE:

- deficit financing
- endowments funds
- fund projects that impact residents outside of a specific community
- individuals
- matching funds
- provide retroactive funding for project expenses incurred prior to approval of the proposal by the grantmaker's Board of Directors
- support any ongoing fundraising activities, including annual fund drives and capital campaigns
- support multi-year funding beyond the annual granting period
- support ongoing operational expenses
- support sectarian, religious, or political purposes
- non-qualified donees

Structure the Grant

To structure the grant, you need to consider:

Amount and length of grant

Factors including the asset size of the grantmaker and its grantmaking style and philosophy can influence the maximum dollar amount of a grant or the length of time over which the grant will be disbursed (single-year or multi-year). For example, a smaller grantmaker with a reactive philosophy might consider making many small grants annually. A larger grantmaker with a proactive philosophy could make fewer, large, multi-year grants.

Deadlines

Establishing and publicizing grant application periods and deadlines, such as by detailing deadlines as clearly as possible on a website, helps grantseekers to plan for their submissions. In some cases, grantmakers have rolling rather than fixed deadlines allowing the grantees to submit requests at any time. Deadlines are also helpful to the grantmaker board or staff who want to plan for a period of proposal analysis and selection.

Funding organizational costs

The success of a grantmaker is directly linked to the success of the organizations it supports. Grantmakers generally provide grants for project or program specific activities that are related to the mission of the grantee. But organizations may also need help to strengthen their capacity to deliver those projects and programs effectively and efficiently. With this in mind, grantmakers can structure their grantmaking in a variety of ways that can help strengthen the capacity of the organizations they support.


Right-size your requirements

The concept that grantmakers should tailor their expectations of grantees has become known as “right-sizing”. Grant management practices that meet the grantmaker’s needs can also be tailored to the circumstances of a specific grant. A grantmaker’s requirements for a grassroots community group receiving a small, one- time grant may differ from the conditions attached to a large, multi-year grant to a hospital or university, for example. The notion of right- sizing can be applied to all aspects of grantmaking but is of particular importance at the application and reporting stages.



SEE



➔ [Examples of how grantmakers can structure their grants to fund organizational costs can be found on pg. 40](#) 

Communicate with grantseekers

Providing more advice and information to grantseekers can increase the number of proposals that meet its criteria and fit with the grantmaker's overall goals. Many different approaches can be used to communicate grantmaking criteria and solicit proposals, including:

Websites It is relatively easy to create a website to communicate information about the granting process.

Social media Social media channels such as Facebook, Instagram, Twitter, and YouTube are effective ways to provide information to potential grantseekers and grantees.

Media Releases Local media appreciate the opportunity to share grant opportunities.

E-mail E-mail remains a cost-effective way to communicate with grantees and potential grantees.

Annual reports These publications can be an effective way of communicating granting priorities.

Public meetings Events like “town halls”, information sessions, and third-party conferences and workshops can be used to explain grantmaking criteria.

With increasing scrutiny, demands for transparency and the desire to shift power imbalances, how can grantmakers share more information with their grantees and others?


A transparent grantmaker is one that makes public the following information:

- Key contact information including telephone number, address and email
- A mission or purpose statement
- Grant guidelines
- A description of the grant application format and selection process
- A summary of grantmaking priorities and strategies
- A searchable database of previous grants awarded
- A list of staff members including bios
- A list of grantmaker Board members and their affiliations
- A copy of the most recent audited financial statements
- A copy of the T-3010 annual return filed with the Canada Revenue Agency
- A copy of the annual report
- Any recent grant or program evaluations and lessons
- A summary of key organizational policies relating to investment goals, conflict of interest, and privacy



SEE



➔ [Examples of ways to get good grant proposals can be found pg. 52](#) 



QUICK TIP

It can be very helpful to potential grantseekers, grantmaker colleagues, and policy makers to create websites that:

- communicate granting criteria and priorities to potential grant applicants
- explain the grantmaker's theory of change or grantmaking philosophy
- promote the work of their grantees (e.g., each grantee of the Rockefeller Foundation is provided with a page on the grantmaker's website to showcase their work)
- foster knowledge transfer by posting grant funded research and reports
- strengthen governance using Board dashboards and portals.



CHECKLIST

Outreach

- ☐ Develop grant proposal guideline
- ☐ Understand application basics
- ☐ Stage the process
- ☐ Define grant exclusions
- ☐ Structure the grant
- ☐ Communicate with grantseekers

Screening & Decision Making

Screening

The initial screening of applicants serves several purposes. It can substantially reduce the number of applications that simply don't meet the grantmaker's granting criteria. And it can serve to enhance the quality and relevance of applications the grantmaker will ultimately consider.

Some grantmakers decide to hire professional staff to conduct the initial screening of applications, as this can become time consuming for volunteer directors. The screening process can begin with a staff review of an initial letter of intent (LOI) or a phone call with potential applicants.

Screening grant applications helps ensure that they are qualified donee, as defined by the Canada Revenue Agency (CRA). To confirm their status, check the [Listing of charities in Canada \(CRA\)](#). Although less common, grantmakers can also work with non-qualified donees and can carry on its activities through an intermediary (non-qualified donee) that is separate from the grantmaker or charity.

For more on working with non-qualified donees consult [PFC's Primer for Working with Non-qualified Donees](#) and [CFC's Better Together Guide](#)

INITIAL SCREENING QUESTIONS:

- Is the grant application from a qualified donee, as defined by the Canada Revenue Agency (CRA)?
- Is the grant application from a non-qualified donee working through an intermediary that is a qualified donee? (see below)
- Does the grant application fit with the grantmaker's criteria?

Get advice

As part of the assessment process, it can be helpful to consult with other funders who have similar granting interests and priorities.

This can be especially useful when a grantmaker begins a new grantmaking program or when it receives an application from an organization with which it is unfamiliar.

A 2015 survey of Canadian foundations by The Counselling Foundation of Canada indicates that it is common practice for larger foundations to solicit input from external experts. The views of external reviewers are usually shared with Board members. Whatever method is used, a grantmaker's grantmaking process is enhanced by soliciting outside perspectives.

Grantmakers seek the opinion of external reviewers in one of two ways:

Individual reviewers

May be asked to review and comment on a single grant application or a group of grants. Some grantmakers provide honoraria for such reviews depending on the complexity of the application. Feedback can range from a standardized template to an informal email to a phone conversation.

Grant Advisory Committee

Some grantmakers convene meetings of a group of reviewers who collectively assess and make recommendations about grant requests received during a particular granting cycle. Input from a grant advisory committee tends to be more structured. This committee could include a certain number of board members as part of the grants committee so that they are engaged in the assessment process and can bring a board perspective that can also allow for a cohesive and efficient approval process.

Site visits

The awarding of a grant is the beginning or renewal of a relationship between the grantmaker and the grantee. Conducting a site visit can be very helpful both at the application stage, as well as after a grant has been awarded.

The size and length of the grant can inform the frequency of site visits. Nine of the ten Canadian foundations surveyed by The Counselling Foundation of Canada in 2011 and again in 2015 reported that they undertook site visits. Their frequency was usually a function of the size and length of the grant.

However, a site visit can impose stress and time demands on the organization submitting a grant application. Applicants often get their hopes up when a grantmaker requests a first site visit. As a result, grantmakers may want to consider only undertaking visits of applicants that have a reasonable chance of being awarded a grant and noting that when arranging for a site visit, that it provides no guarantee of a positive outcome.

Site visits are often undertaken by a grantmaker staff member. While Board members can be invited to participate in certain site visits, it can be helpful to remind Directors that they are participating in site visits in a learning capacity and not as part of the grantmaker's operational due diligence process.

Should you decide to undertake site visits ensure that the following factors play a role in the visit:

- Gain an initial impression of how the relationship might work
- Gather subjective information to complement the objective information provided in the formal application
- Verify that the proposed project is of a high calibre
- Assess the capacity and commitment of the organization and its senior leadership to support the project
- Assess the capacity of individual staff members or volunteers who will implement the project
- Ask any additional questions

Make the decision: Role of the board

Good grantmaker governance practices can serve to better engage the Board and, as a result, enhance the quality of the Board's grant making decisions. A grantmaker's Board of Directors has the final decision-making authority in approving – or declining – grant applications.

In some cases, more commonly in volunteer-led grantmakers with no staff, the entire grantmaking decision process is Board-led. Directors review and assess every grant application that has been submitted and make decisions accordingly. Trustees of staffed grantmakers usually delegate some authority to staff members.

Full applications submitted for Board consideration will usually be accompanied by a staff recommendation which may incorporate comments received by external reviewers. An annotated list of all requests submitted – and not just those screened by the staff – may also be provided to the directors. The Board of Directors may be asked to choose a smaller number of grants for funding from a larger pool of applications screened by staff or, they may receive only those applications that staff members recommend for funding. The Board can be very important in offering suggestions that might strengthen the proposed project.



RESOURCE ALERT

See [Imagine Canada's Standards Community](#) and [CFC's Policy Guidelines and Template Manual](#) for more information on identifying, disclosing, or building policy for conflicts of interest within grantmakers.



CHECKLIST

Screening and Decision Making

- ☐ Screening
- ☐ Get advice
- ☐ Site visits
- ☐ Make the decision: role of the board



FROM THE FIELD

Community Investment Committee

A practice followed by many community foundations is to establish a policy where a certain number of board members must be on the grants committee and this committee is often chaired by a board member. For example, **the Greater Saint John Community Foundation** relies on the expert advice of their Community Investment Committee, which is made up of 5 foundation Board Members and 7 community members who are knowledgeable about local issues and activities. Their grant recommendations are then presented to the foundation's Board of Directors for final approval.



FROM THE FIELD

Advisory Committee

A Board may also delegate some grantmaking decisions entirely to an advisory committee, a common practice in participatory or trust-based grantmaking. In **the Laidlaw Foundation's youth-led Community Change** and **the Nathan Gilbert Youth Innovation Fellowship**, the Board appoints members and Chairs of grant advisory committees. The Laidlaw Board also establishes annual granting and allocations levels for the committees based on a strategic plan that guides grantmaking priorities and decisions.

Between Board meetings, staff members may have the authority to make some grant decisions without prior Board approval. Usually, that authority is limited to grants that are consistent with the foundation's mission and priorities but in amounts that fall below a fixed dollar threshold. This is a very common practice during times of emergency or crisis granting (see more in the granting in times of crisis section below).

Discretionary grants made by foundation Board members individually may not be reviewed and decided on in the same way as mission-related grants. In some private foundations, individual Board directors can allocate foundation grants to charities that may be operating outside the foundation's mission and priorities. The amount of discretionary funding may be fixed as a percentage of the total grantmaking budget, or, each director may have a fixed dollar amount to be used for discretionary granting.

After Approving The Grant

Communicating the Decision

Communicating decisions to applicants – both successful and unsuccessful – as well as to other partners of the foundation needs to be managed carefully as this is an important aspect of a grantmaker's credibility and reputation.

Saying yes

Communicating a positive response to a grant applicant should be relatively straight forward. But there are several different ways in which grantmakers might say “yes”:

- the applicant receives a grant in the full amount requested with no stipulations or conditions
- the applicant receives the grant but with certain conditions and expectations
- the applicant receives a grant but at a lower (or, occasionally, higher) amount than was requested.

Successful applicants may receive a personal phone call or email with the news. This is the beginning of the next stage in the relationship between the grantee and the grantmaker. A subsequent written confirmation of the grant is also important to provide to grantees.

The confirmation letter should include the following information at a minimum:

- grant amount and timeframe
- payment schedule
- reporting requirements and grant hold-back policies, if any

In addition, the confirmation letter can include specifics about any conditions the grantmaker may attach to the grant (e.g. any expectations for evaluation). Depending on the size and nature of the grant, the grantmaker may want to meet with the grantee in person to discuss the expectations prior to confirming them in writing.

Saying no

Even with efforts to reduce unsuitable grant applications, most grantmakers will have to reject or decline many grant requests. The issue, then, is how to say no well.

Disappointment at a negative response is to be expected. But the sense of disappointment can be minimized if the grantmaker indicates its appreciation for the efforts entailed by all grant applicants.

This issue can be addressed in one of the following ways:

- a full explanation of the reasons for the declination is provided in writing as a matter of course at all times
- a full explanation in writing is provided some of the time on a case-by-case basis
- an explanation is provided if the grant applicant asks for one, or
- explanations are never or rarely provided.

Grantmakers that do provide written explanations for a declination may do so to recognize the effort made by the applicant or to support capacity building and help the applicant strengthen future requests.

Possibilities for Future Opportunities

If an application is declined but, if appropriate, the project may be of interest in the future, grantmakers may want to advise the applicant of their intention of holding the application for review at a future date or share with another funder. Grantmakers considering this should be mindful that some projects are time sensitive, and this approach may not be appropriate.



CHECKLIST

Communicating the Decision

- ☐ Saying yes
- ☐ Saying no
- ☐ Possibilities for future opportunities

Managing the Grant & Expectations

Managing the expectations of applicants through clear communication can reduce unintended expectations.

For example, grantseekers need to understand what to expect from their contacts with a grantmaker. Even a delay in receiving an answer could be interpreted as increasing the likelihood of a yes answer.

Being as open and clear as possible with grant applicants about their potential for success is important for both staffed and unstaffed grantmakers. Accessibility and ongoing communications between grant managers or grantmaker directors and grantees can make an important difference to the relationship and to the eventual outcome of the grant.


Monitoring the Grant

Tracking grant statistics



It is important that early in the development of a granting program, the grantmaker determines what statistics about its grant applicants are tracked and which system is the best way to track this information. Prior to determining the tracking categories, an understanding of how and for what purpose the data will be used should be developed. Consideration should also be given as to whether to track statistics of all applications for funding or just successful ones.

Use technology to track grants

Advances in grants management systems have brought huge benefits and play a prominent role in the grantmaker world. Many funders have adopted grants management software to aid in their administrative processes. The software provides the ability for grantmakers to have portals for applicants, grantee, and committee/board grant review portals; grant management and monitoring functions; reports configured to meet the needs of grantmaker leadership; and even budgeting and grant payment functionality. With an increasing focus on evaluation and tracking impact, many of the tools available also can provide data used for strategic decision-making for the grantmaker.

To make a decision on which software is right for your grantmaker, consult with comparable grantmakers or funders to explore software options as well as the [Consumer's Guide to Grants Management Systems](#)  report. This is a great resource that provides an overview and comparison of the various systems available to help your organization make a decision.



 [Grantmaking Tools](#)
pg. 40 
has a good reference on a range of information to be tracked.

Choosing the right grant management software.

There is no single, “silver bullet” piece of technology or software that is going to meet all the digital needs of a grantmaker. Several different programs or software may be required and “right sized” so that they are appropriate to the specific circumstances of the grantmaker. And before beginning, it is important to establish a process that outlines the sequence of tasks to be undertaken to review and replace grantmaking software.

The number of software programs a grantmaker uses is much less important than their “interoperability” i.e. their ability to be integrated and communicate with each other.

Funders wanting to replace or upgrade their grantmaking software should be prepared for the process to take up to a year from beginning to end. Although time consuming, the process results in positive benefits which can range from more efficient workflows, to improved records management to increased staff collaboration.

Before going live with any major changes, grantmakers are advised to pilot test new grantmaking software with a select group of grantees.

Grantmakers may benefit by working with a neutral, objective third party that has no pecuniary interest in any specific piece of technology or software it may recommend.

Reporting requirements

Many grantmakers require reports from grantees during or at the end of a grant. As mentioned, the frequency and nature of reporting requirements should be “right-sized” and proportionate to the amount and duration of the grant. Also, greater reporting flexibility may be needed depending on the type of grant and the recipient. For example, consider story-base reports in the form of a video submission. Or if the organization has other funders, they could submit the same report to all funders to ease the burden on the grantee.

An interim report may be necessary for a large, multi-year grant. Smaller grants over shorter time frames may only require a single report.

At a minimum, most grantmakers require basic financial information as a form of accountability. As stewards of charitable funds, grantmakers need to demonstrate for the regulator that grant recipients used the grant funds prudently and in pursuit of the charitable purposes and the specific activities agreed on by the grantmaker.

Grantmakers may also require reports for learning and evaluation, as well as for measuring impact. The report guidelines can set clear guidelines for what information grantees need to provide and why. Consider why you need the information and what you will do with it. As a rule of thumb, if information doesn’t help the grantmaker and/or the grantee to be more effective, then it does not need to be gathered.

Questions to consider when developing reporting guidelines:

- Is the frequency and nature of the reporting “right-sized” and proportionate to the size and length of the grant?
- Is an interim report needed or will a single report be sufficient?
- What information does the report need to provide and why?
- Does the grantmaker require basic financial information for its own accountability?
- Is the report for the grantmaker’s learning, evaluation or measuring impact?

Factors that contribute to grant failures

Decisions about whether, when, and how a grantmaker should intervene when a grant threatens to or has already gone off the rails are neither easy nor clear cut. It will vary tremendously depending on the organizational culture of the grantmaker and its own internal capacity to intervene. Whatever way your organization approaches this situation, being proactive (talking with the organization, exploring solutions) will be much more effective than a reactive approach when possible.

REASONS FOR GRANT FAILURES INCLUDE



Lack of due diligence

In some cases, poor grant outcomes can be attributed to the grantmaker as much as the grantseeker. The lack of due diligence on the part of the grantmaker in the first instance can result in faulty or inadequate information that may not have identified capacity issues to execute the grant.



Organizational change

While the initial grant application and project design may have been solid, subsequent changes in the organization may contribute to poor outcomes. For example, personnel changes could result in a reduced commitment from the leadership. Or unforeseen financial pressures – the loss of a key source of funding, for example – could divert some of the organization's time and energy.



Cash flow problems

While many charities are occasionally cash strapped, warning bells should sound if the grantmaker becomes aware that this is an ongoing, chronic issue for the grant recipient. A request for an early advance in a scheduled grant payment, for example, might signal a deeper problem.



Mission drift


While most grantmakers encourage their grantees to diversify sources of funding, organizations often run into problems when they start to pursue funding for purposes that are only tangentially related to their core purpose.



Disengaged Board of Directors

A Board of Directors that is not fulfilling its responsibilities may result in inadequate oversight of staff members who are neither challenged when appropriate nor supported when required.

Spot grants that are going “off the rails” or shifting direction

Many grantmakers have experience with grants that need to change course or fail to achieve the purposes and outcomes for which the funding was initially awarded. Failure is often part of innovation, creativity and adaptation to find solutions to large-scale systemic issues, yet many funders and organizations are afraid of failure. At [Fail Forward](#)  they encourage practicing the skill of ‘Intelligent Failure’ as part of smart risk taking and to maximize learning.

This may require your organization to rethink planning and contingency procedures to provide your grantees with the flexibility to adapt as their environment or plans change if something is not working. To create the impact you all seek to achieve, it is important to have open and honest conversations with grantees and grantmakers may need to be a proactive partner in finding solutions with grantees that build a greater degree of trust.

To fail intelligently, they suggest grantmakers and grantees:

- detect failure early
- analyze blamelessly
- apply the learning, and
- innovate and try again more wisely
- or quit/let go wisely



CHECKLIST

Managing the Grant & Expectations

- ☐ Monitoring the grant
- ☐ Choosing the right grant management software
- ☐ Setting reporting requirements
- ☐ Spotting grants that are going ‘off the rails’ or shifting direction
- ☐ Being aware of factors that contribute to grant failures

Closing the Grant

Planning your exit

A good practice for any grantmaker at the beginning is to define the conditions under which the grant will end.

By identifying the hoped-for outcome, assessing how long it will take to get there and what resources will be required, you can begin the conversation about the end of the grant. It is unusual for a grantmaker to make a grant without a timeline of some sort.

Talking about the end of a grant at the beginning can open the conversation about what the grantee can expect. It can also prompt them to think about their goals and about their own strategies for sustainability. It also helps to keep the relationship in perspective for both sides.

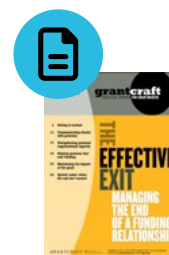
Some grantmakers may establish hold-back policies to ensure that grantees comply with their reporting requirements. Typically, this can be 5–10% of the total grant. In the case of multi-year grant commitments, installment payments can be withheld until the submission of an interim or progress report from the grantee.

As with reporting requirements, grantmakers should explain their hold-back policies to grantees as early as possible in the application process. Some grantmakers don't have hold-back policies but do require the submission of final reports before the organization is eligible to apply for another grant.

Evaluate & Learn

When a grant is over, this is an opportunity for a grantmaker to reflect on what it has learned and to think about whether it wants to adjust its own practices. Evaluation in the context of philanthropy can be used both to learn from the work/impact of grantees and to assess the effectiveness of the grantmaker's grantmaking itself. Exponent Philanthropy's (US network of grantmakers) publication [Getting to Impact: Why Evaluation is Key](#) suggests that evaluation doesn't have to be costly or cumbersome, even for smaller grantmakers.

The field of evaluation and learning practice in philanthropy is constantly evolving. And as grantmakers look for ways to learn, collaborate, and grow their impact across issues and sectors, they must also find ways to share their knowledge with grantees, other grantmakers and the social sector more broadly. This subject of evaluation is much too broad for this document and there are many useful reflections and tips on evaluation and learning practices in philanthropy to be found on the PFC and CFC websites in the Resources section.



RESOURCE ALERT

Grantcraft has provided an [Effective Exit Guide](#) of the elements that need to be considered at the beginning and during the length of the project to enable an exit that is productive for both the grantmaker and the grantee.

SIMPLE AND EFFECTIVE EVALUATIONS CAN:

- provide staff and board members information and data needed for making decisions to achieve greater impact
- measure impact and progress by documenting achievements
- increase effectiveness where possible with limited resources
- allow your organization to be transparent and credible and,
- help with learning and planning to improve all aspects of your work.


Managing an evaluation in progress

Depending on the context, it may not be possible to carry out certain evaluation activities as planned whether due to public health guidelines (such as social distancing) or simply that there are other priorities and needs.

First, go back to your evaluation plan or framework and ask yourself questions like:

- Who do I need to connect with?
- What are my key evaluation questions, and do they still hold value?
- What data do I already have and what insights can I draw from this?
- What more might be gained by further data collection methods in the immediate term?
- What data collection methods (e.g., surveys, focus groups, etc.) can I still do?
- When is the right time to gather this data and how can I do this respectfully?

Depending on your answer to any of these questions, you may need to make some adjustments to your evaluation plan.

Second, adopt a “good enough” standard of rigor: “Detach from rigor as an absolute methodological standard.... Decisions are being made quickly. Some data to support those decisions when they are made is better than data that are too little and too late.” [Evaluation Implication...Global Health Pandemic Emergency](#) 

Third, remember that there are lots of potential sources for data. A good evaluation relies on more than one source of data. Therefore, consider thinking about unusual suspects to help supplement grantee or program participant data.

Fourth, if you’re working with an external evaluator, know that they are there to help you. Even if an evaluation is on hold or needs to be altered, reach out to your evaluator and connect on whether there are alternative ways they could be helping right now.



CHECKLIST

Closing the Grant

- ☐ Planning your exit
- ☐ Evaluate and learn
- ☐ Managing an evaluation in progress

A photograph of two women sitting at a desk in a meeting. The woman on the left, wearing glasses and a blue top, is smiling and looking at the woman on the right. The woman on the right is seen from the side, looking towards the first woman. A laptop is open on the desk in front of them. The background is a brick wall. The image is framed by a dark green circular border.

GRANTMAKING TOOLKIT FOR THE NEW DECADE

Grantmaking Relationships

Strong relationships in grantmaking are critical for building trust, understanding needs, finding opportunities to collaborate, and learning.

By building strong relationships, funders are more aware and focused on making an impact on an issue, with increased connectivity and collaboration between partners.

It is only through the success of the organizations it funds that a grantmaker can achieve its own mission. It follows, then, that the stronger the engagement between funder and grantee, the more likely that both are to succeed.

“Good grantmaking is good relationship-making”

– *Panelist*
at the PFC 2017 Symposium

The next generation of philanthropists need to respond to an increasingly complex world; creative and innovative grantmaking needs courageous conversations to understand what’s working and what needs work. During these conversations, focus on building learning capacity beyond individual grants and keep an eye on the broader strategic goal.

There is a need to consider the power relations involved in a funder-grantee partnership for the relationship to be “healthy”, productive, and impactful. Power dynamics can be a very powerful factor in relationships between grantmakers and grantees, among other stakeholders. This can be a real barrier in having honest conversations and learning what grantees really need right now. Approaching conversations with humility and honesty is one way that you can model your own learning culture and demonstrate your commitment to seeing your grantees succeed to the best of their abilities. Trust-Based Philanthropy, covered in the next section, is an approach to giving that addresses the inherent power imbalances between funders, nonprofits and the communities they serve.

The stronger the engagement between funder and grantee, the more likely that both are to succeed. Opportunities to strengthen the funder-grantee relationship exist at every stage of the process – from the initial point of contact to the closure of the grant. Grantmakers are implementing a variety of measures to strengthen their Engagement with grantees – and potential grantees. Undertake simple and anonymous surveys of grantees (e.g. Survey Monkey) to solicit feedback about ways to strengthen grant criteria, for example, or to improve the grantmaker’s granting process and practices. You may also engage an external party to facilitate workshops or focus groups of grantees intended to provide feedback to the grantmaker about its process and practices or to learn more about issues in particular sectors.



RESOURCE ALERT

➔ [The Resource section of this guide provides great links to additional resources on this topic](#) 📄



Promising Practices

A Promising Practice is “defined as an intervention, program, service, or strategy that shows potential or “promise” for developing into a best practice. Promising practices are often in the earlier stages of implementation, and as such, do not show the high level of impact, adaptability, and quality of evidence as best practices. However, their potential is based on a strong theoretical underpinning to the intervention.”

[Public Health Agency of Canada](#) 

While there is no one-size-fits-all approach to grantmaking, these Promising Practices overview some emerging trends in philanthropy that have demonstrated success.

The four Promising Practices overviewed here include:

1. **Trust-Based Philanthropy**
2. **Social Justice Grantmaking**
3. **Climate Action Grantmaking**
4. **Feminist Grantmaking**

PROMISING PRACTICE

Trust-Based Philanthropy

What is Trust-Based Philanthropy?


An approach to giving that addresses the inherent power imbalances between funders, nonprofits and the communities they serve.

Why this approach to philanthropy?

At its core, trust-based philanthropy is about redistributing power – systemically, organizationally and interpersonally – in service of a healthier and more equitable nonprofit ecosystem. Through the recent pandemic, we have seen significant philanthropic organizations’ support to address immediate needs. However, there wasn’t much time to listen to the community to understand their long-term systemic needs of the communities that philanthropic grantmakers serve. There is a great opportunity going forward to implement strategies to rebuild a stronger and more equitable society by including voices from the community as we develop those strategies.

How to get started?



➔ [More detailed information on Trust-Based Philanthropy can be found on pg. 41-43](#) 

PROMISING PRACTICE

Social Justice Grantmaking

What is Social Justice Grantmaking?


Social justice refers to societal inequities in areas such as wealth inequality, racism, climate crisis, violence against people of colour. Social justice philanthropy addresses the root causes of inequity and inequality rather than their symptoms and can create lasting change of various levels. Social justice philanthropy addresses historic injustices, but also the systems that reinforce injustice and continue to exclude communities and perpetuate harm.

Why is Social Justice important for grantmakers?

Taking a social justice approach to grantmaking can increase equity within a grantmaker and within the communities to which the grantmaker grants. A social justice lens can be applied to all granting focus areas. A social justice lens demonstrates solidarity with those affected by inequalities and injustice and can multiply the effects that a grantmaker’s grants have beyond the timeframe of the grant itself.

How to get started?



➔ [More detailed information on Social Justice Philanthropy can be found on pg. 44-45](#) 

PROMISING PRACTICE

Climate Action Grantmaking

What is climate action grantmaking?

A climate lens is a holistic perspective that incorporates the natural environment with other issue areas to better understand our world's complex challenges. This type of critical thinking can be applied in grantmaking to carefully evaluate how funded projects/initiatives can support both positive social change and opportunities to address climate change/environmental degradation, while amplifying philanthropic benefits of grants on people and the planet. Applying a climate lens to grantmaking does not mean climate change issues will become more or less important to the other issues (health, social services, education).

Why is Climate Action important for grantmakers?

According to the UN, we only have a decade left to prevent irreversible damage due to climate change. Despite this timeline, only 2% of grantmaking is directed toward climate philanthropy. Climate action can be weaved into established grantmaking to respond to this global crisis.

Vulnerable and historically excluded populations are more at risk for health and economic consequences of climate change. With a focus on immediate funding areas, grantmakers might miss climate-related threats that could undermine their efforts, or fail to see opportunities to create co-benefits. Funders need to develop the tools to take a broader view of their social impact grant making and apply a climate lens when planning their giving strategies. — funding the future

How to get started?



➔ [More detailed information on Climate Action Philanthropy can be found on pg. 46-48](#) 📄

PROMISING PRACTICE

Feminist Grantmaking

Why is Feminist Grantmaking important for grantmakers?

Across the various issues and identities, women, girls, Two-Spirit people and gender-diverse people have faced historical and continual disadvantages and discrimination. Grantmakers who are looking to increase their impact must consider the role that gender, privilege and power have in the context of the issues being addressed to create a more fair and equitable society.

Now more than ever, there are increasing calls to action for diversity, equity and inclusion in all sectors, including grantmakers. The inequalities that surfaced during the COVID-19 pandemic, Black Lives Matter, #MeToo, [the Truth and Reconciliation Commission](#) 📄 calls to action and the [National Inquiry into Missing and Murdered Indigenous Women and Girls](#) 📄 are all clear signs that there is work to do. What does this mean for funders? We have a greater responsibility to reassess and implement their grantmaking practices that promote equity and inclusion.

How to get started?



➔ [More detailed information on Feminist Philanthropy can be found on pg. 49-50](#) 📄

Grant Classification and Tracking System

The following are lists of types of data that can be tracked which will help the grantmaker in evaluating the impact of its granting programs.

Areas of impact

What the work is about

- Animal welfare
- Arts and culture
- Community benefit (e.g. parks, libraries)
- Economic development
- Education
- Employment and training
- Environment & conservation
- Health and safety
- History and heritage
- Housing and accommodation
- International development and global relations
- Law, justice, safety and human rights
- Science and technology
- Social services
- Sports, recreation and leisure

Geographic reach

Location of funded organizations

and how far does their work spread

- Local communities
- Rural or remote areas
- Cities and towns
- Province-wide
- National
- International

Processes funded

Type of work funded

- Advocacy/public policy
- Capital (bricks and mortar)
- Direct service provision
- Events & celebrations
- Equipment
- Media & technology
- Operating and core costs including decent work principles
- Research
- Resource materials (i.e. books, videos, DVD, manuals)
- Training/education

Target group

Who are your partners/who will benefit

Age group:

- Seniors
- Youth
- Children

Gender group:

- Women/girls
- Men/boys
- 2SLGBTQ+

Population group:

- Families and parents
- Low-income people
- People from particular cultural communities
- People in the justice systems/offenders
- Indigenous
- People with disabilities

Structure supported

Type of organizations funded

- Art & cultural institutions
- Community organization, institution
- Educational institutions
- Health institutions
- Environment
- Legal services
- Sport & recreation facilities
- Umbrella bodies

Size of grants

What size grants

- Under \$5,000
- Under \$25,000
- More than \$25,000
- Multi-year



Grantmaking Toolkit for the New Decade

PROMISING PRACTICE #1

Trust-Based Grantmaking



What is Trust-Based Philanthropy?

An approach to giving that addresses the inherent power imbalances between funders, nonprofits and the communities they serve.

Why this approach to philanthropy?

At its core, trust-based philanthropy is about redistributing power – systemically, organizationally and interpersonally – in service of a healthier and more equitable nonprofit ecosystem. Through the recent pandemic, we have seen significant philanthropic support to address immediate needs in the communities it serves. However, there wasn't much time to listen to the community to understand their long-term systemic needs of the communities that philanthropic grantmakers serve. There is a great opportunity going forward to implement strategies to rebuild a stronger and more equitable society by including voices from the community as we develop those strategies.

How to get started?

There are some great resources available, including [Trust-Based Philanthropy: An Overview](#)  as well as the Stanford Social Innovation Review article [Building a Trust-Based Philanthropy to Shift Power Back to Communities](#)  (Nate Wong & Andrea McGrath, 2020).

The following are some bold moves gleaned from the Beek Center article to start moving forward on incorporating this approach in the work of your organization.

Build a trust-oriented culture rooted in humility and deep learning:

work to change practices and behaviours that perpetuate harm by looking internally first to better understand how trust shows up in your organization.

Determine what reskilling and reorganization is required to truly do this work:

more grantee outreach, transparency and streamlining the organizational structure may require new or different skills from strategists to community organizers or from research analysts to facilitators.

Build trust with communities by demonstrating a listening and learning posture:

We need to move beyond the tools of feedback surveys or site visits and lean into the work of discovering effective ways to more deeply listen to the communities we serve.

Expand decision-making structures to include trusted community members for shared agency and accountability:

to make important shifts, funders should explore ways to build their grantmaking structures around communities served rather than have these communities adapt to existing structures, policies, etc.

Invest in capacity building so communities can better define local problems and deploy funding in a participatory manner:

funders need to support leadership development with a focus on education, skill-building, and resources to help communities become more engaged at every level of the funding process.

Strategies to incorporate trust-based philanthropy in your grantmaking

Six principles of trust-based philanthropy are outlined in the SSIR article, where for each of the principles there are questions to start the conversation, steps your organization can take and some additional information specific to each principle. Below is a list of the principles and why each is critical as grantmakers move forward in developing trust-based philanthropy.

Give multi-year unrestricted funding:

The work of nonprofits is long-term and unpredictable. Multi-year unrestricted funding gives grantees the flexibility to assess and determine where grant dollars are most needed and allows for innovation, emergent action, and sustainability.

Do the homework:

Oftentimes, nonprofits have to jump through countless hoops just to be invited to submit a proposal. Trust-based philanthropy flips that script, making it the funder's responsibility to get to know prospective grantees, saving nonprofits time in the early stages of the vetting process.

Simplify and streamline paperwork:

Nonprofits spend an inordinate amount of time on funder-driven applications and reports, which can distract them from their mission-critical work. Streamlined approaches focused on dialogue and learning can pave the way for deeper relationships and mutual accountability.

Be transparent and responsive:

Open, honest and transparent communication supports relationships rooted in trust and mutual accountability.

Solicit and act on feedback:


Philanthropy doesn't have all the answers. Grantees and communities they serve provide a valuable perspective that can inform a funder's strategy and approach, inherently making the work of a grantmaker more successful in the long run.

Offer support beyond the cheque:

Responsive, adaptive, non-monetary support bolsters leadership, capacity and organizational health. This is especially critical for organizations that have historically gone without the same level of networks or support as their more established peers.

Adapting these principles and strategies is hard work and requires changes to the structures, cultures and norms within which philanthropic grantmakers operate. Through implementing trust-based philanthropy, grantmakers can reorganize to build and demonstrate a trust-based culture, invest in community leadership capacity-building and open up decision-making and information-sharing structures.

**RESOURCE ALERT**

[The Trust-Based Philanthropy Project](#)  is a five-year, peer-to-peer funder initiative to address the inherent power imbalances between grantmakers and nonprofits. At its core, trust-based philanthropy is about redistributing power—systemically, organizationally, and interpersonally—in service of a healthier and more equitable nonprofit sector. On a practical level, this includes multi-year unrestricted funding, streamlined applications and reporting, and a commitment to building relationships based on transparency, dialogue, and mutual learning.



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PROMISING PRACTICE #2

Social Justice Grantmaking

What is Social Justice philanthropy?

Social justice refers to societal inequities in areas such as wealth inequality, racism, the climate crisis, and violence against people of colour.

Social justice philanthropy addresses the root causes of inequity and inequality rather than their symptoms and can create lasting change of various levels. Social justice philanthropy addresses historic injustices, but also the systems that reinforce injustice and continue to exclude communities and perpetuate harm.

Why is Social Justice important for grantmakers?

Taking a social justice approach to grantmaking can increase equity within a grantmaker and within the communities that the grantmaker grants to. A social justice lens can be applied to all focus areas that grantmakers grant to. A social justice lens demonstrates solidarity with those affected by inequalities and injustice and can multiply the effects that a grantmaker's grants have beyond the timeframe of the grant itself.

How to get started?

Focus on grants addressing systemic changes

Fund Indigenous and BIPOC-led organizations that are doing this work. Beyond this, consider the work of potential grantees – does it challenge injustice? Does the project address the roots of inequity rather than the symptoms only? Will the project create lasting change beyond the grant term?

Put the people most impacted by issues at the centre of decision-making

have board members and grant officers with lived experience of the grantmaker's granting areas; prioritize projects and organizations led by those with lived experience of the impact area; include community members and those with lived experience in grant review processes.

Remain accountable, transparent, and responsive in your grantmaking:

provide clear expectations and requirements about the eligibility criteria and application processes for grants; simplify the granting process; invite feedback from grantees and applicants on the granting process.

Contribute to capacity-building by contributing time, knowledge, skills, and relationship-building in addition to funds:

share grantmaker expertise and resources on fundraising; provide support to grantees with fulfilling grant requirements such as reporting; allow grantees to leverage funding partnerships to help them secure other funding and partnerships

Incorporate social justice principles into every aspect of the grantmaker:

align the grantmaker's investment practices with social justice through Mission-Related Investing, Responsible Investing, and Impact Investing; increase representation of communities served on the grantmaker's board and staff; consider community perspectives when developing strategic plans or making decisions that affect the grantmaker's work

**RESOURCE ALERT**

- [The Case for Using Social Justice Lens in Grantmaking](#)
- [Social Justice Philanthropy and Giving](#)
- [Giving Projects as a Social Justice Grantmaking Model](#)
- [Case for a Social Justice Lens in Grantmaking](#)
- [Social Justice and a Relevant Philanthropic Sector: Grantmaking](#)
- [Governance and Grantmaking: Approaches to achieve greater diversity, equity and inclusion](#)
- [PFC Learning Series: Covid-19, social inequalities and foundation's responses](#)
- [Calls to Action for Philanthropic Organizations and Sector at Large](#)



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PROMISING PRACTICE #3

Climate Action Grantmaking

This document provides highlights from *Climate Philanthropy: A Primer for Foundations* (currently out of print) and serves as a quick overview of this approach to your grantmaking

What is Climate Action Philanthropy?

A climate lens is a holistic perspective that incorporates the natural environment with other issue areas to better understand our world's complex challenges.

This type of critical thinking can be applied in grantmaking to carefully evaluate how funded projects/initiatives can support both positive social change and opportunities to address climate change/environmental degradation, while amplifying philanthropic benefits of grants on people and the planet.

Applying a climate lens to grantmaking does not mean climate change issues will become more or less important to the other issues (i.e. health, social services, education).

Why is Climate Action important for grantmakers?

[According to the UN](#) [↗](#), we only have a decade left to prevent irreversible damage due to climate change. Despite this timeline, only 2% of grantmaking is directed toward climate philanthropy. Climate action can be weaved into established grantmaking to respond to this global crisis.

Vulnerable and historically excluded populations are more at risk for health consequences of climate change.

With a focus on immediate funding areas, foundations might miss climate-related threats that could undermine their efforts or fail to see opportunities to create co-benefits. Funders need to develop the tools to take a broader view of their social impact grant making and apply a climate lens when planning their giving strategies.

[\(Funding the Future\)](#) [↗](#)

How to Get Started?

Here are some examples of how a climate lens can be applied to different funding focuses. These are only examples, and there are many more ways to incorporate climate action into your grantmaking.

If you fund:

Vulnerable community groups:

discover how these communities are being impacted by climate change. Engage with community-based climate solutions and empower grantees to continually care for their environments.

Arts & culture:

creative expression can disrupt the dominant worldview and drive change. Arts and culture can help us adopt a more holistic worldview that is not human-centered.

Fundraising & voluntarism:

Grassroots activities and community-led solutions can give a voice to the environment in which people live, work, and play.

Education, literacy, & research:

Equipping children, youth, adults, and seniors with educational resources and tools can empower them to make lifelong connections with natural ecosystems and communities in which they live, work, and play. Findings from research focused on climate adaptation and mitigation strategies can inform public policy to help cities and communities build more resiliency.

Indigenous peoples:

Indigenous communities across Canada are facing the greatest risk of climate change because of the geographic, social, and systemic barriers they currently face. However, Indigenous-led climate organizations are funded less than other environmental organizations.

Human health:

Climate change affects air, water, and food which humans rely on for good health and longevity. Funding support that's focused on promoting good environmental health will directly enhance people's quality of life.

Refugees and newcomers:

Refugees and newcomers are often displaced due to extreme weather changes and their impact on food security. Supporting local initiatives that promote adaptability and responses to climate-related disasters can help prevent the need for migration.

Social services:

social supports can help populations be prepared for a changing environment. Climate crises c

hallenge access to necessary services and can increase the demand on social services.

International initiatives:

climate change is a global crisis, and international grantmaking should be aligned with the local needs.

Strategies to incorporate a climate action grantmaking approach:

Share and learn:

develop your climate competency and stay up to date on the risks and solutions in your region or city. Connect with local climate experts and community organizations and learn more about the solutions and challenges they are working on.

Apply a climate lens to your work:

analyze how the effects of climate change could impact your current programming and identify potential risks for your organization's long-term strategies and goals ([Canadian Centre for Climate Services](#) and the [Climate Atlas of Canada](#)). Explore how funding climate action in your community could generate “co-benefits” for existing programming that advances progress across your goals. Visit [Climate Interactive MultiSolving](#) website for different co-benefit case studies.

Grantmaking for climate action:

Fund climate organizations in the communities you serve. Use your grantmaking to support your community's Local Climate Action Plan and identify your role in Canada's national plan. Focus funding on initiatives that support — and ideally are led by — the community members who will be most affected by climate change.

Lead and collaborate:

Develop a bold vision for climate action in your community and integrate it into your grantmaker's strategic planning and organizational priorities. Build and support cross-sector partnerships for SDG 13 and climate justice. Align your investments with climate action through Impact Investing and Responsible Investing.

Be an advocate for climate action:

Respond to the “declaration of climate emergencies” in the cities/regions where your grantmaker is located. Find out what the sustainability or climate change-related goals are in the local jurisdiction and align your grantmaker's stance with those goals. Write to your current members of the Legislative Assembly (MLA), provincial parliament (MPP) or federal parliament (MP) to hold representatives accountable for reaching those targets.



RESOURCE ALERT

- [Canadian Centre for Climate Services](#)
- [Climate Interactive Multisolving](#)
- [Climate Atlas of Canada](#)
- [UN SDG Goal 13: Climate Action](#)



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PROMISING PRACTICE #4

Feminist Grantmaking

This document provides highlights from [Fact Sheet - Feminist Grantmaking for Equitable Futures](#) and serves as a quick overview of this approach to your grantmaking

Why is Feminist Grantmaking important for grantmakers?

Grantmakers who are looking to increase their impact must consider the role that gender, privilege and power have in the context of the issues being addressed in order to create a more fair and equitable society.

Now more than ever, there are increasing calls to action for diversity, equity and inclusion in all sectors, including grantmakers. The inequalities that surfaced during the COVID-19 pandemic, Black Lives Matter, #MeToo, the [Truth and Reconciliation Commission](#) calls to action and the [National Inquiry into Missing and Murdered Indigenous Women and Girls](#) are all clear signs that there is work to do. What does this mean for funders? We have a greater responsibility to reassess and implement their grantmaking practices that promote equity and inclusion.

“Feminist grantmaking shifts power and builds relationships of trust across unequal power positions that can be inherent in funder-grantee relationships. This approach takes into account gender inequality, creative, innovative and flexible ways to provide core financial support”.


- Mai Ngo
Gender, Equity, Diversity
and Inclusion Specialist

How to Get Started

QUESTIONS TO ASK:

- How can we be more flexible when it comes to funding feminist work and organizations?
- How do we ensure we are listening to what people are really saying in order to make better decisions and create a culture of diversity, equity and inclusion?
- How do we ensure we are tracking and reporting these initiatives to demonstrate the needs of women, girls and non-binary people are met?

Strategies to incorporate a feminist grantmaking approach:

The [Fact Sheet - Feminist Grantmaking for Equitable Futures](#)  provides many strategies to incorporate a feminist approach to your grantmaking.

Below you will find an example of one strategy that could be incorporated in each stage of the process.

Stage 1: Preparing your granting process

Incorporate the Sustainable Development Goals, the Truth and Reconciliation Commission's calls to action as a framework for grantmaking. Review your criteria and process with the [Feminist Grantmaking Principles](#)  in mind.

Stage 2: Obtaining proposals

Take an active role to get to know the communities you serve, particularly invisible groups, to build long term relationships

Stage 3: Making the grant

Use a "grantmaking plus" approach that goes beyond providing financial resources. For example, provide the organization with capacity-building support through leadership training or mentorship programs.

Stage 4: Managing the grant

Remain active with the organizations and provide responsive, adaptive and non-monetary support to increase leadership effectiveness and organizational capacity

Stage 5: Closing and evaluating the grant

Simplify and adopt flexible reporting requirements that make them accessible and less burdensome for the organizations. For example, using WhatsApp audio recordings or video submissions.



RESOURCE ALERT

- [Fact Sheet - Feminist Grantmaking for Equitable Futures](#) 

A Final Note

Grantmaking is an ever-evolving practice. The lessons and issues raised in this guide are not set in stone and will continue to evolve over time.

The main goal of this guide is to provide you with the basic and emerging issues relevant to grantmaking to think about and learn from, all while developing a strategy that would work for your specific situation.

A deliberate effort to review, evaluate and adopt good practices, and to continuously improve them, will go far in making a grantmaker accountable, effective, and impactful in addressing the needs of communities. Moving towards a more inclusive, equitable and robust philanthropic sector will require critical reflection and intention to do better.

Some key takeaways:

- Pay attention to the growing need for accountability and transparency,
- Work on developing trust-based relationship with grantees, thinking of grantmaking as more than just funding,
- Consider the power of influence, connections and networks that could benefit grantees and the positive impact it can have on both their work and on the grantmakers involved,
- Adopt a systems-change approach that can lead to more impactful collaborations to address the pressing issues faced by Canadian society,
- Realize the increasing role played by grantmakers in transformation, certainly increase the responsibility funders have vis-a-vis the communities they serve, but has also the potential to provide greater and better benefits to all.

Appendix

Examples from the field



VICTORIA FOUNDATION

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FROM THE FIELD

Tsartlip Arts & Entrepreneurship Spirit Grants


The Victoria Foundation is embracing trust-based philanthropy grantmaking principles and has committed to learning alongside community members in the journey. When Mary Hayes, a community member from the Tsartlip First Nation, brought forward the idea of supporting Indigenous artists and entrepreneurs in her community, Victoria Foundation saw an opportunity to directly partner with the Nation and another family foundation to create the Tsartlip Arts & Entrepreneurship Spirit Grants. The grant has provided over 20 artists and entrepreneurs in the Nation with small grants ranging from \$500-2000 to continue growing their businesses, focusing on sharing culture with the community while creating opportunities for a sustainable future.

To apply for the funding, applicants were asked to answer a series of simple questions on the impact of their project, creating a low-barrier application process. The Tsartlip Nation handled all of the administrative aspects of the granting and a local granting advisory read the applications and made the granting decisions. Inspired by the successful Neighbourhood Small Grants (NSG) Initiative which empowers residents to lead their own community-based projects, the Victoria Foundation has applied many of the same grassroots granting principles to their grant. The Tsartlip Arts & Entrepreneurship Spirit Grant Initiative builds on the community-based approach in grassroots granting, embedding a more relational approach to granting.



FROM THE FIELD

How to obtain good grant proposals**Include on website:**

- list Frequently Asked Questions (FAQ) or create an eligibility checklist. [The Vancouver Foundation Grants Eligibility Quiz](#)  helps grantseekers assess whether their organization is eligible to apply to the Foundation and whether the project is likely to be funded
- list recently awarded grants. Many grantmakers enable website visitors to search their grants database by keyword, program area or year
- describe some of the most common mistakes made by grant applicants and reasons for refusal
- list all of the supporting information to be included with the grant application.

OTHER STEPS:

- Invite potential grantees to phone or email if clarification is required
- Offer in-person meetings. **The Lyle S. Hallman Foundation** in Kitchener organizes regular information workshops and encourages all potential applicants to attend
- Provide seed or developmental funds to assist in the preparation of an application or to fund a pilot
- Invite some unusual ideas by keeping open a place for grantseekers to let you know about an idea 'out of left field'.



FROM THE FIELD

How grantmakers can structure their grants to fund organizational costs

Supporting Overhead Costs

Operating costs are basic organizational expenditures incurred to varying degrees by every charity: office rent, telephone and internet, bookkeeping and audits, fundraising, and Board meetings, for example. Grants provided to offset such costs are sometimes referred to as core funding or unrestricted funding.

Some grantmakers are also now using an approach called full cost accounting which requires applicants to include related organizational overhead costs in their application for a project grant. Usually this amount is about 10-15% of the grant request. “Research suggests that the types of grants that make the most positive and sustainable impact on grantees are operating support and capacity-building grants, but these are the very grants that grantmakers are least likely to award”.

Source: [Strategies for Narrowing the Power Gap in Philanthropy](#) 

Supporting Training and Learning

Not unlike private or public sector organizations, many charities have human resource challenges and ongoing professional development needs. This applies to both paid staff and volunteers. Grants to support internships, leadership training, peer learning and other development activities can help to build the organization’s capacity to achieve its mission.

Convening and Providing Funding Assistance

Grantmakers can host workshops relevant to the work of their grantees on a range of topics ranging from evaluation to advocacy and governance. Foundations can also foster knowledge sharing by convening meetings or retreats of their grantees to share their work and learnings.

Whether updating a website, strengthening financial reporting systems, executing a fundraising strategy, or planning for succession, charities have a range of organizational needs. Providing technical help through a consultant can be very valuable.

References and Resources

Need more resources and tools about grantmaking?

Visit [PFC's Resource Library](#) or [CFC's The Learning Institute](#) where you will find information and resources on many aspects of grantmaking practice and other topics of interest to grantmakers.

The resources below were listed in the guide and are organized by stage.

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


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20. Grantcraft. [When Projects Flounder: Coming to the Rescue When Good Grants Go Astray](#), 2002.

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21. Grantmakers for Effective Organizations. [For Essentials for Evaluation](#), 2012.
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Whenever possible, the source material for this guide has been drawn from the experiences of Canadian foundations as well as the grantmaking practices of grantmakers in other countries, especially the US, the UK, Australia, and New Zealand. Many of these sources are listed in the Resources section at the end of this guide. The PFC and CFC websites are also rich sources of information on all aspects of grantmaking practice and are regularly updated.

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