Tips for Effective Grantee Relations

This checklist was prepared by Jane Kendall, president of the North Carolina Center for Nonprofits and a trustee of the Kathleen Price Bryan Family Fund at the time she wrote this. These tips come from more than 1,100 nonprofit leaders in the U.S. and four other countries. They were gleaned through in-depth interviews conducted as part of a W.K. Kellogg Foundation National Fellowship and through 20 focus groups held during the grassroots creation of the Center for Nonprofits. The introduction is by Leslie Lilly, vice president of the Foundation for the Mid South.

Introduction

Foundation have an institutional aura and mystery about them that often communicates power, capacity, and authority. This aura can easily eclipse the value and importance of community organizations and leadership. How can we as grantmakers communicate an institutional image and attitude that conveys respect, invites accountability, and nurtures opportunity?

Pursuit of funding can seem like an elaborate courtship to grantseekers because of the complexities of the process and the nuances involved in establishing an organization's credentials for support. How can a grantmaker supply the human ingredients to dispel the mysteries and make the process for the nonprofit seem less like an obscure waltz to someone else's choice of music?

For example, what and how much should we tell a nonprofit representative about the dynamics of trustee review? Should we be candid about whether a proposal will stand the scrutiny of trustee review, or is it better just to let them sink or swim? How do we work with our nonprofit partners - on whom our success as a foundation depends - to anticipate the questions the proposal may trigger during trustee discussion?

Because of the volume of requests and the demand for funding, it is difficult for us to give every proposal equal scrutiny and attention. Those skilled at grantseeking and proposal writing have a distinct advantage over those with less sophisticated skills or for whom written communication is a barrier. Are we obliged to provide alternatives or additions to the written documents that can be a value added?

At what point does our intelligence-gathering end and advocacy for a proposal begin? When are we compromising our status as "evaluator" by "insider trading?" We may be tempted to try to make something "right" about a proposal that stretches the intentions or will of a group to rely on its own judgment of what is an appropriate strategy. Tinkering with a proposal by reshaping goals or adding contingencies can create ethical issues for us and, from the nonprofit's point of view, erode the integrity of a proposal. How much is too much?

What are the characteristics of a win-win relationship for grantmaker and nonprofit alike? The checklist below may help.

- Be willing to apologize.
- Return phone calls.
- Admit when you don't know. Ask.
- Be truthful, compassionate, considerate.
- Ask advice.
- Admit error.
- Listen. Listen.
- Make people comfortable.
- Don't withhold information that is appropriate and important to give.
- Walk a mile in a grantseeker's shoes. They pinch

About "Advice."

As funders, *any* advice we offer carries tremendous weight with operating nonprofits. Whether we like it or not, our advice will probably be one of the following: (a) useful, (b) offensive, or (c) wasteful. Remember that nonprofit leaders seeking support for their efforts are not in a comfortable position to tell us if our advice is offensive or wasteful. So what can we do? *Before* giving advice or even innocent tips, we can ask whether our well-intentioned advice passes *all four* of the following tests:

Is it requested?
Did the nonprofit *ask* for our advice *on the topic for which we want to give it?* for example, asking about our funding priorities is not the same as an invitation to tell the nonprofit representatives what we think their organization's mission, goals, or priorities should be. When we give unsolicited advice, we may honestly think we are being helpful, but we may just be offensive - and the nonprofit representative is not in a position to tell us this.

Is it useful?
Does my advice help the nonprofit to: (1) Decide whether to submit a proposal to your foundation, (2) improve its proposal, or (3) consider new approaches on a program we already fund. The nonprofit representative is listening carefully to try to decipher everything we say in terms of one of these purposes. Useful advice can also give clues about how to read between the lines in our guidelines or how to frame a project so it will be clearer to our trustees.

"Wasteful advice" is a comment we make that the nonprofit takes *too* seriously. While we may enjoy spewing forth our ideas and wisdom, we have to be careful. Any time we are speaking with a nonprofit leader, we *are* the foundation or corporation speaking. The applicant is listening carefully for clues about our organization's values, priorities, biases, language, and culture. An offhand comment or a request for information that just pops into our minds may send that nonprofit on a wild goose chase trying to respond to it or incorporate it into their proposal. If you are just sharing an idea that popped into your head and that has no predictable bearing on the grant decision, *say so.*

If our "advice" is actually information about a pre-condition for a grant from our foundation, we can be *very* clear that this is what we are communicating. If we are just giving advice, and not describing a pre-condition for funding, we can say so. Even with careful listening, it is often difficult for the nonprofit to distinguish the two. As with *every* word that comes out of our mouths or our printers, the nonprofit representative may give it more weight that we intend.

Is it appropriate?
Even with the best of intentions, we as grantmakers often "inflict" our advice inadvertently. How can we avoid this truly offensive behavior with a nonprofit leader with whom we have automatic power because of where we work or serve as a trustee?

First, we can be sure we passed the first test - i.e., that our advice is really requested. Second, we can be sure we are not trying to tell the nonprofit leaders what their organization's mission should be or how they should do their work. If we are *sure* our foundation will not give that organization a grant without some kind of change in the organization, we can be very specific about what that change is and why it is related to our foundation's decision to provide funding. We can be careful not to assume the nonprofit can or wants to make the change. we can remember that a nonprofit representative cannot promise changes without following the decision-making process within the organization, which often means a board discussion and decision.

Finally, we can ask ourselves: "If the shoe were on the other foot and this nonprofit representative had the power to decide whether *my* foundation could do a program we want to do, would I think that the type of advice I'm about to give is appropriate?" We can imagine how we'd feel, for example, if an applicant tried to tell us how to run our board meetings or make grant decisions.

- **Is it given in an appropriate way?**

We can think carefully about *how* we give advice. We have a captive audience with any nonprofit. One result of this automatic power is that nonprofit leaders feel they must listen patiently to our advice whether it is useful and appropriate or not. *Offer ideas* rather than giving advice. Avoid saying "You know what you *should* do?" This is seldom a welcomed phrase among overworked nonprofit leaders.

As funders, we sometimes miss being on the front line in addressing community problems. Conversations with grantees and other nonprofits who are "getting their hands dirty" can bring vicarious satisfaction. These conversations also tempt us to give ideas *which will be taken as advice* when we may actually know little about the real situation. The implied advice that comes from our honest enthusiasm and ideas carries a great deal of weight with the grantee. We can remember to preface our remarks accordingly.

Collaboration

Do we try to force collaboration between nonprofits?

While collaboration sounds great, our enthusiasm can backfire if we try to force collaboration between or among nonprofits. Collaboration *may or may not* be appropriate given the missions and priorities of each of the organizations involved, but externally-imposed collaboration does *not* work. It can actually slow down cooperation between the two groups because people naturally resist a message that says "You must play with Pat."

This does not mean we should not encourage collaboration (and of course, we may make grant decisions according to our perception of whether one group is duplicating another), but we can avoid pushing it in a heavy-handed way.

The most effective foundations create an environment that encourages people to initiate their own collaborations - and then fund the added cost of joint planning when the nonprofits initiate the collaboration. Effective funders do *not* try to tell the nonprofits how to do it. The same is true about mergers between nonprofits.

Practical tips to avoid wasting time and money.

To avoid wasting the sector's time and money (and to keep good relations with the nonprofit community), consider these practical tips:

Do our guidelines include these basics?

We should be clear in our guidelines whither we want nonprofits to approach us first by letter, visit, phone, or email. We can indicate how quickly they can expect a response to an initial inquiry and to a proposal submitted. We can explain as much as possible about our decision-making process -- how often our board meets, when decisions are made, and how soon applicants are notified of decisions. If our staff resources do not allow individual visits, we can help nonprofits by saying so.

Do we let nonprofits know whether to invest in us?

We can provide the information nonprofits need in order to decide whether to spend their scarce time and resources to prepare a proposal to our foundation. We can provide a simple, written list of at least these basics:

- Preferred areas of funding and whether we can accept proposals outside these areas. If we *really* have no preferences, we can say so. We can review at least the proposals we reject to see if we can specify types of grants we consistently decline. We can say in our guidelines that we do not prefer - or do not accept - grants for these types of funding. we can be clear whether we like to collaborate with other funders. (If you want to be the only funder for a particular effort, say so early and then fund the effort fully.)
- Preferred types of funding - organizational capacity-building, financial stabilization, planning, board and staff development, equipment, capital projects, endowments, start-up, operating support, direct services, special projects, etc.
- Grants made in the past year. We can include the grantee, location, amount, and a brief statement about the purpose. Rather than increase our workload, this enables prospective

applicants to screen themselves out before they apply - so we get more appropriate proposals and fewer inappropriate ones.

Do we provide adequate feedback?

Of the menu of reasons given for turning down proposals, we may find it easier to cite stock rationales than to give the kind of feedback that would be strategically useful to a group. How much to say, to whom to say it, and toward what end makes such conversation complicated and sometimes risky for grantmakers. We may be tempted to go ahead and burn a bridge with a nonprofit than to take a step over that bridge to try to communicate honestly.

When we decline a proposal, we can offer the clearest information we can about the reasons. If you do not give any feedback, you will often be inviting a future proposal that you will not seriously consider and thus wasting your time and the applicant's time. Also, tell whether the same proposal would be seriously considered if it were resubmitted in a later cycle. If there is not enough interest to warrant any proposal from the group in the next year, say so. You are doing the nonprofit a favor and saving valuable community resources.

Are we reasonable in our application process?

For example, we probably should not ask the applicant to make copies of proposal materials for all our trustees. The extra expense of copying and mailing a large set of multiple copies of required materials can be a hardship on a small organization. The added cost of double mailing such a large set of materials (mailed to us by the applicant and then mailed by us to the trustees) is a waste of charitable dollars.

Does our form create headaches?

We can make our application forms available in standard word processing formats - a small cost to us and a *huge* savings of time to those who apply tous. At the least, we can avoid putting lines on the "discussion questions" on application forms because lines make it very hard for the applicant to use a computer to fill in the answers.

Are our application instructions clear and consistent?

If application instructions have evolved over time, they may have inconsistencies. Periodically we can review all our application materials to spot unclear or inconsistent instructions. Most nonprofit representatives are not in a position to tell us that our application process is poorly designed.