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The Grants Management Response to COVID-19: Part 3

By Janet Camarena and Melissa Sines

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Our third community conversation on the COVID-19 crisis, which followed this presentation from Janet Camarena, Director of Learning at Candid, was characterized by optimism around practice changes that are happening as a result of crisis response and questions about which changes make sense to carry over to improve future grantmaking.

Following is a summary of the takeaways from that call.

In the weeks since the crisis began, all of us have been learning what it's like to bring our humanity to our work. Barriers to communication and collaboration that seemed insurmountable just a month ago have been erased. More funders are embracing practices that are allowing them to narrow the power gap and build strong and trusting relationships with their grantees.

More Transparency and Communication

Program participants report that they are adopting streamlined and flexible workflows, which are freeing them up to be more available to connect with grantees. During phone calls to check in on needs and progress, stronger relationships are being forged leading to greater empathy and understanding about which adjustments might be most helpful. For example, many funders have started to repurpose existing project grants to unrestricted support, as well as to allocate a larger portion of their overall budgets to general support.

There is a real recognition that many nonprofits could go under if they can't fund staff and then essential community services would be lost. Funders have been doing a lot of outreach to current grantees to find out their most important needs and providing immediate funding, sometimes even without applications. Some funders reacted even more quickly and gave unsolicited grants within a week of the beginning of the crisis.

Funders are also seeing this increased transparency and communication as beneficial to their own organizations and networks. One funder reported that their grants administration has been too decentralized and that this crisis has caused them to begin efforts to centralize that function across grantmaking programs. Another was in the middle of building their new grantee portal, but have now thrown all those assumptions out the window and will be focusing on how to continue building strong relationships instead of building out complex systems for application review and approval.

Additionally, another funder reported that they have seen increased communication and trust between grantmaking organizations within regions and communities as they work together to collaboratively direct funds where they are needed most and avoid duplicating efforts. Some grantmakers are also exploring how they might support their local economies through grants and loans to small businesses.

Streamlined and Flexible Workflows

As the world continues to adjust to the ongoing strains of "sheltering in place" and the stress of the ongoing public health and economic crisis, philanthropy is beginning to understand how its own practices can help

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nonprofit partners, but also for grantmaking staff.

In Applications: There is increased attention to the labor standard foundation applications require, greater scrutiny on which information is really needed in order for funders to make decisions, and questioning whether the work of collecting that information should fall to the grantee or to the funder. Some funders have started taking on more of the due diligence burden, using a variety of sources readily available to them such as: organization information already available in their own databases; grantee websites; and websites like Candid's GuideStar profiles to find the information they need. They're also taking applications via phone – asking questions of the grantee verbally and recording answers in their grants management system. Some are also taking applications created for another funder or banding together in funder collaboratives to agree on one application and one report format and submission for emergency response grants. As one funder put it, they are "short on what we ask from the nonprofit – long on us documenting what we know about the nonprofit."

In Decision-making: Grantmakers are convening decision-making bodies (staff, boards, grant review committees) in creative ways. Online meeting software is being utilized to convene decision-makers, work through decisions, and rapidly deploy funds. Detailed grant summaries and packages are being reduced to quick emails and spreadsheet overviews that actively prompt in-depth questions and discussions that engage decision-makers in meaningful work and promote good decisions. These quick meetings in virtual environments could be a great way to democratize the grantmaking process by utilizing a more participatory grantmaking structure.

In Agreements and Payments: As one of our participants declared: We moved to electronic checks and electronic award letters and we are NEVER going back! For many grantmakers, this crisis has led them embrace electronic processing in place of printing and mailing agreements and checks. One funder reported that they had been advocating for wire payments for a year and a half, and now as a result of the crisis they have it up and running within a few weeks. Award letters, grant agreements, and grant modifications are all being accepted in simplified formats such as, a short email, electronic signature software, or a phone call. Another funder reported that using electronic signature software had resulted in over half of signed grant agreements being returned within thirty minutes.

In Reporting: On the reporting side, funders are accepting quick updates via email or phone, extending reporting deadlines for interim and final reports, even suspending reporting altogether. Some are adjusting evaluation plans and reducing report requirements. Education funders are realizing they will need to entirely rethink evaluation for their grantees given the disruption in that part of the sector.

Lessons Learned and Next Steps

Call participants admitted to feeling a lot of stress around quickly implementing and iterating these rapidly changing practices and processes, but also say that, overall, they're actually amazed at what they've been able to accomplish in just a few weeks. Advice from participants making such changes includes:

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- Closely examine all pieces of information that you ask of applicants to make sure you are using this information.

- Take on more of the burden for doing the homework and due diligence about your grantees.

- Consider eliminating the use of customized narrative and budget templates and encouraging applicants to submit applications used for other funders.

- Move to mobile-friendly, accessible, online applications if you haven't previously, and make accommodations for people with disabilities.

- Take the leap and go electronic for grant agreements, payments, and reports.

- Change mindset on general operating support by increasing its frequency of use.

- Consider the role of participatory grantmaking in how philanthropy might shift the power now to traditionally under-served and under-represented groups.

- Reconsider evaluation and data requirements and remove requirements for advertising or brand opportunities that require a certain threshold of participation.

- Remember, operationalizing and standardizing all of the changes is a lot of work, so write down how you're making decisions and why you're making the decisions that you do. It's not easy — but this will help you document changes for your board and for the auditors.

- Change can be intimidating and you may likely encounter resistance. So, make the case that this is a pilot or part of iterative change, and it can always be changed back or changed again in the future if it's not working. Framing in this way can help get the experiment going.

Funds allocated in response to the crisis are growing every day. As of this writing, Candid is reporting over $10 billion in COVID-19-related grantmaking. An important question that came up during our time together related to impact measurement of all these dollars. With fewer application and reporting requirements, how will we know what worked and what didn't? And how will we evaluate which changes should remain?

Philanthropy is not alone in these questions about how the world will have shifted around us when we can go into the office again, but how it uses the power it wields as it debates these questions will determine how well our communities and our nonprofits make it through the crisis:

- What metrics or decision-making frameworks should we be using to guide decision-making right now? How can we use an equity or values-based framework to make better decisions?

- What if an organization we support ultimately does not survive the crisis? What if we are the deciding factor between survival and failure, if failure means more lost lives or less capacity for our communities to meet the demands of the time?

- How will we know that the funds we are granting in this way are being spent on the right things? And, what's the real risk to impact — and to our community — if they are not?

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- How will we measure the impact of what we did, or is that we did it enough?

These are uncertain times, and we're all learning to live with the discomfort of not knowing. When everything around us is changing day by day, we have to admit – and also act as if – neither funders nor grantees have access to certainty.
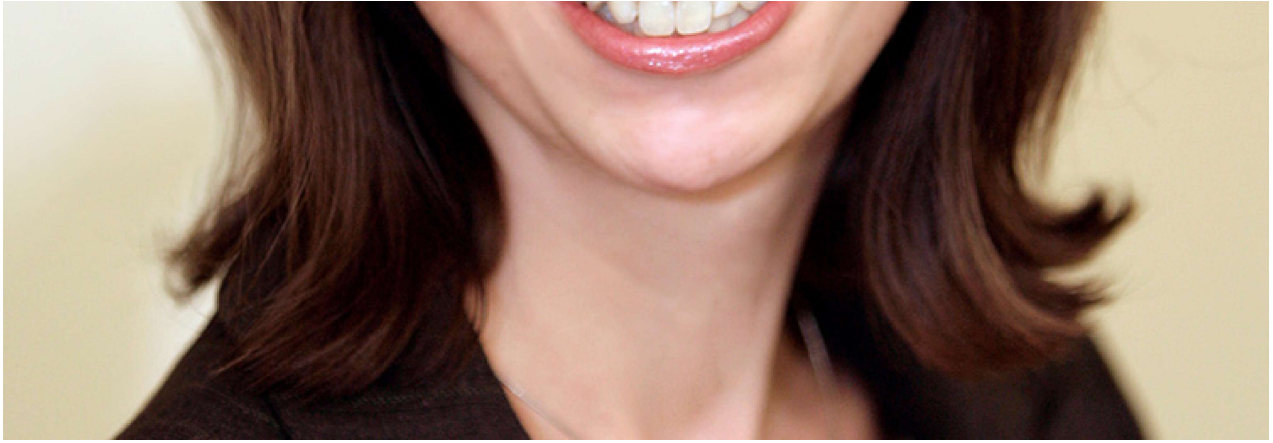

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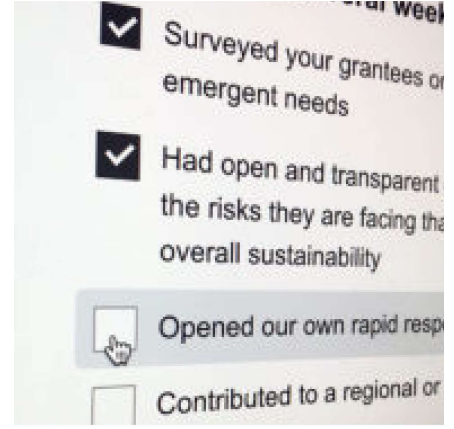
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