Practical Grantmaking

How to achieve more with less overhaul

GENEVA GLOBAL
A GLOBAL IMPACT VENTURE

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The polycrisis is causing many philanthropists and philanthropic organizations to consider adopting new grantmaking approaches as a means to expedite or enhance their impact to address these pressing global issues.

There is no doubt that some of these new approaches can lead to enhanced impact, but it's not automatic. Trendy, new grantmaking approaches can be unclear or confusing *(for example, the confusion about what exactly is trust-based philanthropy)*. Adopting and implementing new approaches can also require significant resources *(time, money, political capital)* and often involve a lengthy strategic review and overhaul of processes and policies in a grantmaking organization. For those who want to improve their grantmaking but lack the resources, this can be a big obstacle.

The good news is that there are effective, more bite-sized reforms that are easier and less resource intensive to implement. Those reforms – profiled here – can help mid-level managers, board members, small grantmaking teams, or anyone else with limited capacity and big ambitions move the needle in the desired direction without undertaking a complete overhaul of a grantmaking organization's systems and processes.

BEYOND APPROACH:
CORE GRANTMAKING GOALS

Rather than focusing on changing your grantmaking approach, consider focusing on practical goals. These might include giving out more money, reducing paperwork, or reaching new beneficiaries. These goals are the foundation of many current grantmaking methods and can stand on their own as important, long-lasting objectives.

Distributing more money is a simple but important goal for funders who want to increase their impact. U.S.-based foundations are required to give away at least 5% of their assets each year, and most stay close to this level. Even a small increase in the amount given each year can make a significant difference for charities.

Reducing paperwork is a goal aimed at simplifying operations, saving time, and lowering the workload for both grantmakers and grantees. Grantmaking involves a lot of paperwork, from applications to reports and board books. Cutting down on some of these requirements can free up time for more important work.

Reaching new beneficiaries is a great goal for funders who want to broaden their impact. It's easy *(and understandable)* for funders to repeatedly support the same organizations and programs, but supporting new beneficiaries can bring fresh perspectives and create new partnerships, expanding your organization's reach and impact.

This paper will lay out several practices that you—no matter your organizational approach or role within your organization—can consider implementing to evolve your organization's grantmaking to achieve these three goals without significant overhaul.

ACHIEVE YOUR GOALS:
GRANTMAKING PRACTICES AND IMPLEMENTATION STEPS

This paper looks at grantmaking practices that can help funders achieve their goals of *giving more money, reducing paperwork, and reaching new beneficiaries.* It's important to note that these are not the only ways to reach these goals. This selection is intended to show ways that both familiar and newer practices can help achieve these objectives.

Each practice has its own benefits, challenges, and initial steps for implementation. Additionally, each practice takes a different amount of time to implement and to see results. "Implementation time" refers to how long it will take to put the practice into action, while "impact time" refers to how long it will take to see change. Both are categorized as immediate, medium, or long term.

Increase existing support

What this is:
Increase the funding you provide to the grantees you already support.

GOAL: Distribute more money

TIMING:
- Implementation: Immediate ● ○ ○
- Impact: Immediate, with potential for long-term ○→|······→

BENEFITS: Increasing funding for grantees you already support is a straightforward way to distribute more money with minimal additional resources. It can also deepen relationships with grantees, showing that you recognize their success and have confidence in their future impact. This approach is both easy to implement and has the potential for quick, noticeable results.

CHALLENGES: Justifying extra funding for existing grantees can be difficult, especially if the original funding amounts were based on specific needs or criteria. Perhaps difficult conversations will arise with grantees to set and manage expectations for funding year after year. More funding could lead to increased paperwork *(applications, due diligence, reporting)*, which requires more staff time. Increasing funding to some grantees may mean reducing it elsewhere if there is a limited pool of funds.

IMPLEMENTATION SCENARIO: Your organization can increase the next funding cycle for your current grantees, or if your grants are typically program-specific, consider adding unrestricted funds to complement those commitments. It is hard to understate the importance of unrestricted funding for nonprofit organizational health and effectiveness.

IMPLEMENTATION STEPS: The quickest way to increase funding is to review your available budget and add additional support to existing grantees, likely instead of funding new ones. For a more thorough review, understand how current funding levels were originally determined, and create criteria for raising amounts based on organizational priorities. Regularly review funding amounts for long-term grantees and set thresholds for when and how much to increase. Track the impact of increased funding to see whether it leads to greater results over time.

Multi-year grants

What this is: A longer-term grant structured to distribute installments annually (most commonly over 2-5 years), usually contingent upon receipt of deliverables, such as a progress report or annual report.

GOAL: Reduce paperwork

TIMING:
- Implementation: Medium-term ●●○
- Impact: Medium-term and long-term

BENEFITS: When set up well, grantees and grantors will spend less time on paperwork for multi-year grants. Multi-year grants can reduce paperwork by streamlining reporting and funding processes. Grantees benefit from increased financial stability, more time to focus on program implementation, and greater leverage to attract additional funding. This type of grant also builds a deeper, long-term partnership between grantors and grantees as it signals trust and commitment.

With a predictable funding schedule, both parties can plan better and work toward shared, long-term goals.

CHALLENGES: If a grantee faces significant challenges in meeting the agreed-upon goals, discontinuing support may be more difficult than with one-year grants. Establishing clear project milestones and deliverables is essential to avoid complications. While multi-year grants reduce paperwork in the long term, they involve larger investments, which may drive program leads *(and the board)* to require more detailed applications and thorough due diligence during the initial stages.

IMPLEMENTATION SCENARIO: If your organization awards the same trusted grantees year after year, consider awarding a multi-year grant with annual disbursements equal to your typical annual award. In the grant agreement you can tie disbursements to the receipt and approval of annual progress reports and collect a final narrative and financial report that can be used to inform longer-term renewal decisions. A specific program area that focuses on long-term initiatives might be a good starting point for experimenting with multi-year grants.

IMPLEMENTATION GUIDANCE: When planning multi-year grants, consider the full cycle of multi-year grants, including the length of the grant period, amount and timing of installments, criteria to evaluate reporting and renewals, and alignment of multi-year disbursements with internal financial systems and budgets. Multi-year grants should not completely replace annual grants, as shorter-term grants are often good opportunities to explore and develop new partnerships *(that could eventually lead to multi-year grants)*. Your organization could develop guidelines to help identify when a multi-year grant is appropriate instead of an annual one.

Expand or increase collaborative funding

What this is: Pooled funding, re-granting organizations (also known as intermediary organizations), and collaborative grants involve combining funds from multiple donors into one coordinated contribution. This can go to a single charity or a group of aligned organizations working together.

GOAL: Distribute more money, reduce paperwork, and reach new beneficiaries

TIMING:
- Implementation: Immediate ● ○ ○
- Impact: Immediate, with potential for long-term ○—→○·············▸

BENEFITS: Pooled and collaborative grants can be strategic yet low-maintenance, operating on the idea that "one plus one equals three" — where the three are "you", "me", and "you and me together" as distinct stakeholders combining efforts for greater impact. By participating in a collaboration your organization can help set priorities and drive momentum on shared goals, amplifying your impact. Additionally, shared learning is a major benefit. These collaborations often involve site visits, events, and progress reports which deepen participants' understanding of the issues and solutions. Administrative tasks like vetting grantees, managing applications, and processing funds are shared, increasing efficiency and freeing up time for other impactful work.

CHALLENGES: One challenge is that some partners might not support initiatives that are a priority for your organization. It also requires your organization to be comfortable giving up some control and working in a partnership where decisions may not always align perfectly with your own strategic priorities.

IMPLEMENTATION SCENARIO: Philanthropic collaboratives are growing around the world and across a variety of issue areas, especially in areas like social change. For many donors, it is easy to find a collaborative that is aligned with your organization's mission and priorities. If you contribute to a collaborative, you can simply cut the check and know that your dollars are being pooled and directed to aligned charitable organizations. With larger contributions, you may have more opportunities to be intimately involved in the collaborative's decision-making around priorities, governance, and grantees.

IMPLEMENTATION GUIDANCE: Before committing to pooled funding, assess whether combining your funds with others will create more impact than acting alone. If your organization already participates in collaborative funding, consider increasing your contribution for additional benefits or impact, or exploring new opportunities. For those new to partnership-funding models, start by researching existing collaboratives and how they operate. Reach out to your network or third-party experts to learn about funding opportunities and gain insights from peers involved in successful collaborations.

Review application and reporting requirements

What this is: *Application and reporting requirements are necessary for risk management and due diligence, a bare minimum of which is legally required for grantmakers in many jurisdictions. However, if these requirements aren't regularly reviewed, they can become outdated or unnecessary as programmatic or operational priorities change. Establishing a process to regularly review what you ask of grantees ensures you only collect the most important information.*

GOAL: Reduce paperwork

TIMING:
- Implementation: Medium-term ● ● ○
- Impact: Immediate ○——→

BENEFITS: By regularly reviewing your application and reporting requirements, you ensure they are intentional and necessary. This makes the process more meaningful for both grantees and staff. When only essential information is requested, it improves the quality and relevance of the data you collect, which in turn helps your organization make better decisions. With fewer paperwork requirements, both your team and the grantees can focus more on actual program work.

CHALLENGES: Changing the requirements may confuse grantees or make it harder for staff to track results. If metrics change, it can affect how you measure long-term impact. Revising outdated requirements can be time-consuming, especially if it involves getting approvals or updating online systems. Even after updating the requirements, regular reviews will still require staff time.

IMPLEMENTATION SCENARIO: To start, assess what information you're currently collecting from grantees and how much time both grantees and staff spend on applications and reports. Check if any unnecessary, already publicly available, or rarely used information is being collected. Review these requirements at least annually, or more frequently if necessary, to ensure they align with your program's needs.

IMPLEMENTATION GUIDANCE: Identify the essential information your organization needs for legal, programmatic, and decision-making purposes. Consider your organization's risk tolerance. Traditional due diligence policies are often built with worst-case scenarios in mind, which are not very common. Have conversations with leadership about how comfortable the organization is with reducing some paperwork, even if it means taking on slightly more risk. You cannot lift requirements across the board with grantmaking, but you can create policies for due diligence, applications, and reporting that are right-sized with your true legal, organizational, and programmatic needs.

Flash grants

What this is: Flash grants are small (usually up to $25,000 USD), short-term grants, often filling funding gaps for startup or pilot activities. Funding is disbursed rapidly with no strings attached. These grants often serve as a jolt of funding to kickstart a project that will eventually generate funding from additional sources to support the project in the longer term. Flash grants are often RFP- or application-based, with funders reviewing applications and distributing funding for awarded projects in a "flash."

GOAL: Distribute more money and reach new beneficiaries

TIMING:

- Implementation: Medium-term ● ● ○
- Impact: Immediate, with potential for long-term

BENEFITS: Flash grants are a good way to fund startup activities that many funders may overlook. They can generate creativity and innovation, leading to new projects or collaborations. Flash grants help your organization support exciting new ideas with the potential for long-term impact. They also allow you to work with new or unlikely partners and contribute small amounts of funding that can make a big difference in existing program areas.

CHALLENGES: The fast pace of flash grants means there is less time for thorough vetting, which can increase the risk of negative outcomes. Staff may need to invest more time in creating and managing rapid processes. Since flash grants typically fund startup activities, it can be harder to measure their immediate impact. It's important for your organization to view any setbacks or failures as learning opportunities while recognizing the potential of these innovative efforts.

IMPLEMENTATION SCENARIO: Flash grants are best used for specific needs within a larger program. They can help fill gaps, support experimental projects, or fund niche activities that haven't been addressed by others. Flash grants are also useful for pilot projects that your organization wants to explore but doesn't have the resources to investigate itself.

IMPLEMENTATION GUIDANCE: Consult with technical or programmatic experts *(who may be outside of your organization)* to identify areas that could benefit from quick, small funding opportunities. Program areas involving research—like funding personnel, software, or data access—are often ideal candidates for flash grants. Set up a simple application or RFP process to identify suitable projects. When designing the process, make sure the requirements match the smaller grant size, one-time nature, and quick turnaround time.

Rapid response grants

What this is: *Rapid response grants are funds provided quickly in response to urgent needs, often in humanitarian crises.*

GOAL: Distribute more money, reduce paperwork, and reach new beneficiaries

TIMING:
· Implementation: Medium-term ● ● ○
· Impact: Immediate ○——→

BENEFITS: The main benefit of rapid response grants is the ability to address urgent needs in communities or vulnerable populations. These grants can also be a low-risk way to connect with new grantees and explore potential partnerships. The fast-moving nature of these grants makes them a good starting point for experimenting with streamlined, efficient grantmaking processes.

CHALLENGES: While rapid response grants have an immediate impact, they don't typically address long-term or systemic issues. If the available funding is too limited compared to the need, some organizations may need to increase their funding caps or decide to support work that is more programmatic to be effective in their mission and impact. Potentially significant staff time may be needed to monitor and vet crises and grantees. With the fast nature of these grants, typical due diligence is rarely possible, and your organization would have to be comfortable with that risk. While "rapid" response grants are deployed quickly by nature, it may take more time to implement a framework for awarding these types of grants *(hence the medium-term implementation timing).*

IMPLEMENTATION SCENARIO: Rapid response grants can be given within an existing program area or be set up as a separate fund for emergencies. Your organization could either allocate funds for specific, emerging crises or set up an open application process where grantees apply as urgent situations arise.

IMPLEMENTATION GUIDANCE: Create clear criteria for issuing rapid response grants, grounded in your organization's mission and priorities. Criteria could include the relevance to your program areas, the impact on existing grantees, and how the grant could affect your organization's overall work. Set up simplified due diligence, application, and reporting processes to make it easy for grantees to apply and staff to review *(if needed at all, as rapid response grants are usually no-strings-attached).* You may also prepare pre-established funding packages for specific regions or create partnerships with trusted organizations for re-granting. At a high level, consider how much funding you want to allocate to rapid response grants versus preventive or long-term funding.

Open RFP processes

What this is: RFPs (Requests for Proposals) are announcements that describe a project and invite qualified applicants to submit proposals. Open RFPs are made available to the public, allowing anyone to apply. This is in contrast to closed RFPs, where opportunities are only shared with a select group of pre-vetted applicants.

GOAL: Reach new beneficiaries

TIMING:
- Implementation: Medium-term ● ● ○
- Impact: Long-term →

BENEFITS: Open RFPs increase the accessibility of funding by reaching applicants outside your usual network, expanding your organization's reach and impact. By being public, they can connect with communities most affected by the issue the grant aims to address, potentially leading to more innovative solutions and diverse partnerships.

CHALLENGES: Open RFPs can be resource intensive. With a public announcement, you may receive a large number of applications, some of which may not meet your needs. This can be time-consuming for staff, who may need to manage conversations with applicants, screen submissions, and assess proposals that may not be a good fit. Clear, tight parameters in the RFP and initial eligibility screenings can help manage these challenges. Additionally, finding the right channels to disseminate the RFP to reach new partners can be difficult.

IMPLEMENTATION SCENARIO: Developing an open RFP with input from community experts or sector leaders can help ensure the project and requirements are clear, specific, and aligned with your goals. Open RFPs are particularly useful when you're looking to expand beyond your typical partners or explore new ideas. Working with an experienced third party can ease the workload by handling tasks like disseminating the RFP, managing applicant communication, and reviewing proposals.

IMPLEMENTATION GUIDANCE: Be clear and detailed in defining the RFP. Outline the project's purpose, objectives, desired outcomes, and any necessary qualifications or experience for applicants. Collaborate with peer grantmakers or issue-area experts to ensure the RFP is relevant and effectively designed to solve the outlined problem. These partners can also help with dissemination to ensure the RFP reaches a broad audience. If you typically implement closed RFPs, consider testing an open RFP for a future cycle to compare the processes and outcomes, helping you determine the best approach for your organization's needs.

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Organizational capacity grants

What this is:

Organizational capacity grants involve investing in the internal operations of grantee organizations. It focuses on improving the operational backbone— such as staff capacity and infrastructure—so that grantees can more effectively implement their programs and achieve their mission.

GOAL: Distribute more money

TIMING:
- Implementation: Immediate
- Impact: Long-term

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BENEFITS: Capacity strengthening grants enhance a grantee's ability to carry out their mission by supporting their internal operations.

When grantees are less concerned with covering operational costs, they can focus more on programmatic goals and strategy. These grants also foster stronger relationships between funders and grantees, as they require trust and open communication about grantees' institutional challenges. As a result, your understanding of grantees' needs can deepen, helping you support their long-term success.

CHALLENGES: The impact of organizational capacity support is often seen as less direct and harder to measure than programmatic funding. This may make it more difficult to get approval for capacity-building grants from your board. Additionally, without careful planning, such grants could become a burden if grantees are not equipped to effectively utilize the funding or if their needs are not accurately assessed.

IMPLEMENTATION SCENARIO: You can choose whether to focus on a specific area of organizational capacity or provide funds with no restrictions, allowing the grantee to decide how to use the support. This could include things like leadership development, professional training, building operating reserves, funding fair salaries, hiring full-time staff instead of relying on temporary workers, or upgrading technology.

IMPLEMENTATION GUIDANCE: Cultivate a holistic view of grantmaking that recognizes the critical link between organizational capacity and long-term impact. Have open and honest conversations with grantees to understand their internal needs. Cultivating trust will allow grantees to share their challenges and ensure that the capacity-building support is tailored to their real needs. You may also consider conducting focus groups or surveys with grantees to identify common needs. If this approach is well-received, you could integrate questions about organizational capacity into your grant applications and reports to measure the impact of this support over time.

Select, start, and scale:
Immediate actions and future goals

Starting can be the hardest part, but beginning with a short-term, high-impact practice can help you experiment and gather insights about your organization's risk tolerance and what's truly needed for measuring impact.

These early lessons can guide your decisions for longer-term practices and provide the foundation for scaling up to more significant changes in the future. Even if you don't immediately plan for long-term changes, short-term actions can still lead to meaningful results.

For some organizations, diving straight into medium- or long-term practices may be the right move. While these approaches require more time and investment, the results are often well worth the effort. Longer-term changes involve deeper collaboration with partners, offering opportunities to reflect on and improve your organization's processes, policies, and systems for greater equity and impact.

This paper has outlined several grantmaking practices to help funders distribute more money, reduce paperwork, and reach new beneficiaries.

There are many more effective grantmaking practices that weren't covered here, but they can also be valuable tools for your organization. It's important to remember that there's no single "right" way to give money, trends don't need to be followed, and the right approach is the one that best suits your evolving goals and needs.

NEXT STEPS

About Geneva Global

Geneva Global is a Certified B Corp that serves as a philanthropy advisor. We help foundations and individuals build a better world through effective philanthropy. We are part of **Global Impact Ventures**, a family of mission-driven organizations that serve all of philanthropy. Together, we can help you achieve your philanthropy goals.

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About Megan Hophan

Megan is experienced with designing and implementing grant management systems, processes, and policies. She partners with Geneva Global's clients to help them strategically develop their grantmaking practices to support evolving organizational and community needs. Megan's broad range of experience empowers her to develop effective, clear grantmaking processes – all while having fun along the way.

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