Good Grantmaking:

A Guide for Canadian Foundations

By Patrick Johnston

Philanthropic *foundations* Canada
Fondations philanthropiques Canada

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PREFACE AND ACKNOWLEDGEMENTS

This guide is a companion to previous publications prepared by Philanthropic Foundations Canada and especially:

- *Good Governance: A Guide for Canadian Foundations*, June 2010, revised 2014
- *Starting a Foundation: A Guide for Philanthropists*, 3rd edition, 2015

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This guide was edited by Hilary Pearson, President, Philanthropic Foundations Canada.

ABOUT THE AUTHOR

Patrick Johnston has had a long and varied career in Canada's philanthropic and charitable sector. He was President and CEO of the Walter and Duncan Gordon Foundation from 2002–2009. Prior to that, he served as President and CEO of the Canadian Centre for Philanthropy (now known as Imagine Canada) from 1995-2002. Patrick was also a member of the Board of Philanthropic Foundations Canada from 2004-2010 and served on the Board of the Washington, D.C. based Council on Foundations from 2006-2009. In 2014, he was appointed to the Order of Canada, one of the country's highest civilian honours.

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ABOUT PFC

Philanthropic Foundations Canada (PFC) is a national member association of grantmaking foundations and charitable organizations and a registered charity. PFC seeks to promote the growth and development of effective and responsible foundations and organized philanthropy in Canada through provision of membership services, resources and advocacy.

This guide is offered as a resource to PFC members and other Canadian grantmakers. The practice of grantmaking will evolve over time as knowledge continues to grow. This guide is a snapshot of some good ideas and options presently available to Canadian grantmakers.

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INTRODUCTION

THE CONTEXT FOR CANADIAN PHILANTHROPY

Philanthropy in Canada is evolving rapidly. While many Canadian foundations have been operating for decades, most have remained largely invisible. This is changing, however. Foundations are going to play a more important and more visible role in shaping Canadian and global communities of the future. Consider these trends:

More demand

Charities in Canada have always relied on governments as a key source of funds. But governments at all levels are facing large deficits and debt and funding cutbacks are inevitable. Many charities are affected by these cuts and search for funding from other, non-government sources – including foundations.

More foundations

Experts predict that Canada will witness an intergenerational transfer of wealth in the next 20 years that could amount to $1 trillion.[1] If even a fraction of that is directed towards philanthropy, it could result in the creation of many new and larger foundations.

New players/new ideas

A number of players are entering the field of Canadian philanthropy bringing with them new ideas. Entrepreneurs, for example, are applying to their philanthropy some of the techniques that contributed to their success in business, and are often hands-on and outcome oriented. Members of younger generations are joining family foundation boards and bringing their different generational outlook and tools to the challenges of philanthropy.

Growing public attention

Canadian philanthropy is receiving more public attention from the media, from fundraisers, and from public policy makers. With this increasing attention will come more scrutiny of foundations, presenting both opportunities and challenges.

Increased calls for accountability

Canadian foundations benefit from tax advantages that result in foregone revenue for both the federal and provincial governments. Continuing pressure on public finances is fuelling increased calls for more accountability by organizations that receive tax advantages. Canadian foundations in the future will face demands to be more open and accountable to the public for their activities and for their impact.

[1] BMO Retirement Institute. *Passing it on: What will future inheritances look like?* July 2009.

HOW TO USE THIS GUIDE

This guide was commissioned by Philanthropic Foundations Canada to develop a source of good practices for all Canadian grantmakers, both those who are established and those who are entering this growing 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.

Canadian foundations are remarkably diverse in terms of their history, asset size, geographic scope, field of interest, and mission. Grantmaking practices vary tremendously from one foundation to another and those appropriate for one foundation may not be suitable for another. Grantmaking is probably best described as a craft demanding 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 foundation.

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.

While there is no single set of "best" grantmaking practices that can and should be applied to every foundation, grantmakers can certainly learn from one another. This guide cites a number of good grantmaking practices employed by Canadian foundations. It can be thought of as a "benchmarking" document enabling Canadian foundations to compare their grantmaking practices. In particular, it is intended to enable you to:

- better understand some of the most common grantmaking practices used by other Canadian foundations;
- assess your own grantmaking practices and revise, as necessary, to improve your practice; and
- optimize the quality of grant applications and the effectiveness of grant management.

Whenever possible, the source material for this guide has been drawn from the experiences of Canadian foundations but given that grantmaking and foundations are not unique to Canada, it has also been informed by the grantmaking practices of foundations 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 website is also a rich source of information on all aspects of grantmaking practice and is regularly updated.

This guide will be of particular benefit to you if you are new to grantmaking, whether you are an individual involved with a new or emerging private or public foundation or someone who has joined an established foundation.

Many of the practices described also apply to other grantmakers such as corporate giving programs, community foundations, and donor advised funds. Given that governments will continue to be key funders of charities, this guide may also be helpful to those with responsibilities for public sector granting programs.

THE FIVE STAGES OF THE GRANTMAKING CYCLE

The guide is organized according to the five basic stages of the grantmaking cycle:

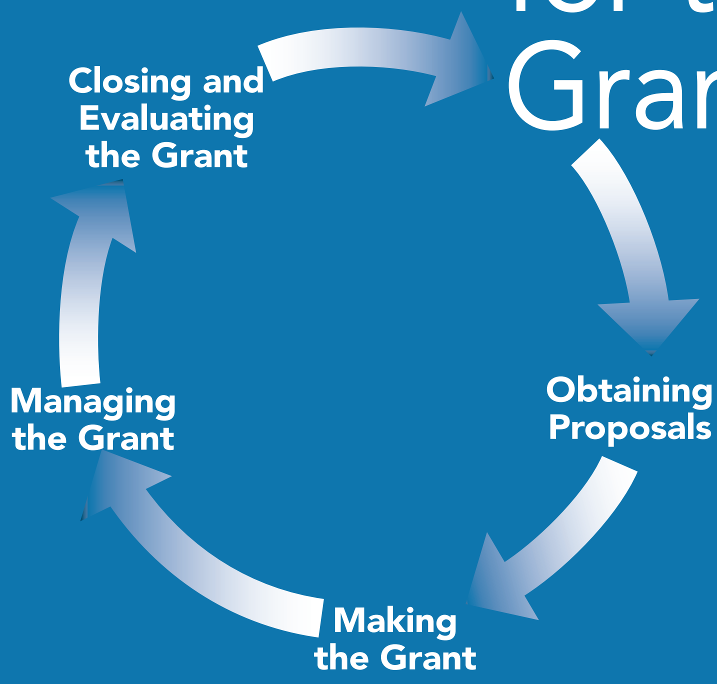
The guide describes the key tasks in each stage and lists some common practices. Not every practice at every stage will apply to every foundation.

By way of illustration, relevant examples and quotes[2] from Canadian foundations appear throughout the text. Helpful checklists for key grantmaking practices are also included.

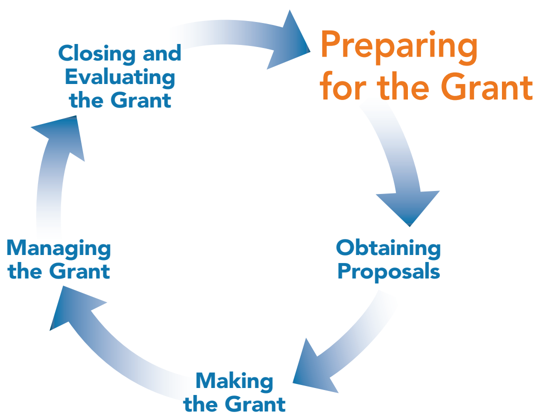
[2] Most of the quotations from Canadian foundation leaders are drawn from two surveys undertaken by the Counselling Foundation of Canada – one in 2011 and another in 2015. As part of an internal assessment of its own grantmaking practices, the Counselling Foundation surveyed senior leaders of ten private foundations with assets over $50 million across Canada. The results of both surveys were shared with Philanthropic Foundations Canada and are quoted with permission.

STAGE 1

Preparing for the Grant



PREPARING FOR THE GRANT: THE FRAMEWORK



Every foundation operates within a 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 a grantmaker's individual decisions, choices, and priorities.

CHECKLIST
FOR PREPARING THE FRAMEWORK

- ✔ Understand the legal rules
- ✔ Find a focus for grantmaking
- ✔ Articulate vision and/or mission
- ✔ Define grantmaking style & philosophy
- ✔ Specify grantmaking criteria

1.1 Understand the legal context

All charitable foundations in Canada are registered with the Canada Revenue Agency (CRA). 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 or provincial corporate or trust legislation. These regulatory regimes 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.

More information can be found in a companion guide on charitable foundation governance available from PFC.[3]

[3] Philanthropic Foundations Canada. *Good Governance: A Guide for Canadian Foundations*, June 2010, revised 2014.

1.2 Find a focus

In 2015, more than 86,000 organizations were registered as charities with CRA. All are eligible to receive grants from Canadian foundations.

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 foundations is overwhelming. As a result, every foundation would benefit from focusing on specific charitable fields of interest, activities, and organizations. It may do so by building on a donor's intent, by identifying a common interest of the family or directors, by searching the landscape for a unique need or niche or by collaborating with other funders who are leading in a particular field.

Many foundations are established by people who already have a passion for a cause, service, or target population. These donors shape the focus of their foundation's work from the beginning. Where the original founders or donors are no longer involved it can be useful to revisit, re-affirm, or revise that original passion of the founder.

If a donor or foundation Board is looking for a new focus, it can reach out to experts in a field or consult with peers to identify possible areas of focus. The bottom line is to find a focus that energizes and shapes a foundation's giving.

"When seasoned foundation leaders give advice to newcomers, they repeatedly share the following tip: 'focus your giving'."[4]

[4] Sara Beggs. *Getting to Impact Through Planning.* Exponent Philanthropy, 2011. p. 9.

1.3 Articulate vision, mission and values

The written expression of a foundation's grantmaking focus can be described as a vision or mission statement. Shared values of the donor and family can also be articulated to provide a focus. These statements serve as a summary of the foundation's guiding intent and principles.

Every foundation can develop a statement of focus that is specific to its own unique circumstances.

> "It's best to keep the mission statement succinct – just a sentence or two at most. A mission statement's power is in its simplicity or its ability to be communicated easily."[5]

The following examples of mission statements from Canadian foundations of all sizes demonstrate the variety of possible statements.

[5] Beggs. p. 13.

EXAMPLES FROM THE FIELD[6]

FOUNDATION	MISSION
Atkinson Charitable Foundation	Our mission is to promote social and economic justice in the tradition of our founder, Joseph E. Atkinson.
Laidlaw Foundation	Laidlaw Foundation invests in innovative ideas, convenes interested parties, shares its learning and advocates for change in support of young people becoming healthy, creative and fully engaged citizens.
Martin Aboriginal Education Initiative	MAEI's guiding vision is to empower Aboriginal students with the knowledge and confidence they need to complete secondary school and go on to post-secondary studies.
Max Bell Foundation	Max Bell Foundation reflects the spirit and intent of its founder to improve Canadian society. We encourage the development of innovative ideas that impact public policies and practices with an emphasis on health and wellness, education, and the environment.
The J.W. McConnell Family Foundation	The J.W. McConnell Family Foundation is a private family foundation funding programs to foster a more innovative, inclusive, sustainable, and resilient Canada.
The T.R. Meighen Family Foundation	The T.R. Meighen Family Foundation wishes to encourage strategic and creative initiatives benefiting youth at risk in the Province of New Brunswick, Southern Ontario, and the Montréal Area.
Muttart Foundation	The Foundation considers a robust charitable sector as central to a strong, healthy society. Through their work charities build community and address key social issues and concerns. The Foundation's philanthropy focuses on three areas: • Strengthening the charitable sector; • Early childhood education and care; • Management development and leadership.
The Lawson Foundation	We invest in and engage with ideas, people and organizations that contribute to healthy outcomes of Canadians throughout their life course.
The Azrieli Foundation	The Azrieli Foundation supports a wide range of initiatives and programs in the fields of education, architecture and design, Jewish community, Holocaust commemoration and education, scientific and medical research, and the arts.
The Burns Memorial Fund	Honouring the legacy of Senator Patrick Burns, we work to ensure that each child in Calgary reaches their full potential. By investing resources in the areas of education, health and well-being, we build a strong community for our children and youth.

[6] Go to the Resource section for a list of foundation web sites.

Foundation statements may change over time and should be revisited periodically. Often, this will be done as part of a strategic planning exercise.[7]

Most of ten Canadian foundations surveyed in 2011 indicated that they undertook a full scale review about every 5 years although they also did ongoing, minimal tweaking and recalibration.[8] As a result, they reported that they had made significant changes in granting priorities over time. These foundations indicated that reviews were driven by both external and internal factors. Changing socio-demographic trends or changes in government policies were mentioned as examples of external drivers of change. Internal factors included changing interests of a new generation of family members or other trustees, and measurable success in a particular field of interest.

> "It has been useful to review our priorities at least every three years to see where we are getting traction and where we are not. It has also been helpful to identify why the former might be happening and how to reposition ourselves to respond to societal changes and emerging needs and opportunities."[9]

Given the rapidity of change, a strategic review of an organization's mission and values probably should happen more frequently than every five or even three years. These statements are documents that can and should be revisited periodically.

[7] The following guides may be useful for foundations undertaking a strategic planning process: (i) Sara Beggs, *Getting to Impact Through Planning,* produced by Exponent Philanthropy and (ii) *The Art of Giving: Where the Soul Meets a Business Plan,* by Charles Bronfman and Jeffrey Solomon, Lossey-Bass, 2009.

[8] The Counselling Foundation of Canada, 2011.

[9] Ibid.

1.4 Define grantmaking style and philosophy

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

Grantmaking Style

Canadian foundations use a variety of approaches to grantmaking. A useful way to think about these approaches or styles is to classify your style as responsive, proactive or hybrid:

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

- **PROACTIVE** An increasing number of Canadian foundations state that they do not accept or consider unsolicited grant requests. Instead, they identify effective charities working in areas that correspond with the foundation's interests and they proactively invite grant proposals. Some smaller, unstaffed foundations adopt this style as a defensive strategy. It is one way of managing a huge volume of grant requests. Larger, established foundations may adopt this style because they have deep experience or because they have a well-defined set of strategies for achieving their goals.

- **HYBRID** Some foundations incorporate both responsive and proactive styles or use other ways of soliciting requests that combine elements of both. For example, a foundation might set out its areas of focus and its 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.[10]

[10] See the websites of the Donner Canadian Foundation, the Rozsa Foundation, TRICO Charitable Foundation, and Lotte and John Hecht Memorial Foundation for examples of award programs.

EXAMPLE FROM THE FIELD

The Donner Canadian Foundation uses a hybrid of responsive and proactive styles of grantmaking which it describes on its website as follows:

"The Donner Canadian Foundation does not regularly respond to letters of inquiry or unsolicited requests for funding. However, it does maintain files about charitable organizations and their work. The Foundation uses this information – along with proactive research and input from advisors – in its search for high-potential projects. To inform this search, charitable organizations may send the Foundation's Executive Director a two- to three-page description of their goals and programs. If there is a potential match between this work and the interests of the Foundation, staff will contact the charity for more information."

Grantmaking Philosophy

Most foundations have their own philosophy about the grantmaking process which can be described as a collective view about how the foundation can best accomplish its mission and achieve impact. A foundation's grantmaking philosophy shapes its organizational culture.

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.[11]

- **Service/Program Delivery** – This philosophy focuses on supporting an existing activity or service or expanding that activity to underserved communities or populations. It can be applied to everything from food banks to performances by arts groups to support services for survivors of cancer to building schools in developing countries. Grants might also be awarded to support the search for new interventions but the focus is always on maintaining or enhancing some kind of 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. A funder with an interest in preventing domestic violence might seek to support the capacity of those charities with a proven track record in reducing family violence. A grant might be awarded, for example, to help an organization create a business plan, hire a fundraiser or figure out how to replicate its success in other communities. The primary purpose of the funding is to support the organization, rather than the specific services it provides.

[11] Julia Unwin. *The Grantmaking Tango: Issues for Funders*. The Baring Foundation. London, 2005, pp. 14-15.

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

Every foundation would find it useful to define, articulate, and communicate its own particular philosophy, whether as a single approach or a combination of the approaches listed above. This will make the task of grantmaking that much easier. It will also enable grantseekers to make more informed decisions about their prospects for funding from a particular grantmaker.

1.5 Define internal criteria

It is worth spending some time to develop criteria that the foundation will use to select grant proposals. These criteria reflect and flow from the foundation's mission, goals, style, and philosophy. But they should go beyond that to include the more detailed and specific factors that the foundation will use in assessing individual grant requests.

Clarifying a foundation's grantmaking criteria serves two purposes:

- **Increases efficiency** – A set of selection criteria will increase the effectiveness and efficiency of the foundation's internal decision-making process. The clearer the criteria, the easier it will be to differentiate those grant requests that are eligible and consistent with the foundation's mission from requests that are ineligible or inappropriate.
- **Makes it easier to say no** – Having grantmaking criteria makes it easier for a foundation 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 foundations choose to make public the criteria that they will use to assess a proposal. This can reduce the number of ineligible and inappropriate requests that a foundation receives. Smart charities do not want to waste their valuable time preparing requests for grants that they are unlikely to receive.

Another useful criteria for foundations to adopt is a disbursement policy. The *Income Tax Act* already requires that private and public foundations make annual charitable disbursements equal to a minimum of 3.5% of the value of the foundation's investment assets (property not used for charitable activity or administration). This requirement is only a minimum, however, and many Canadian foundations consider the 3.5% quota to be the floor, not the ceiling, for their grant disbursements. The impact of financial market conditions and the consequent investment performance are, of course, significant deciding factors in how a foundation sets its disbursement target from year to year.

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

- 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.

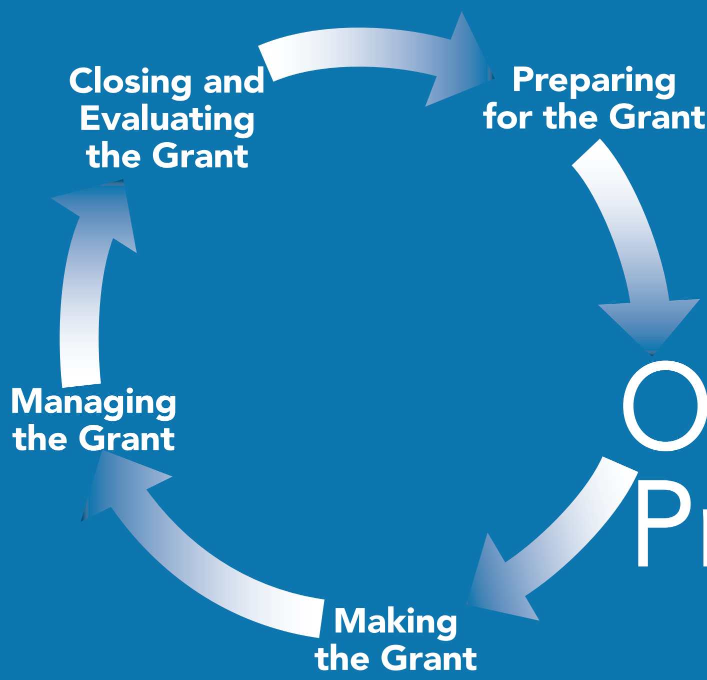
EXAMPLE FROM THE FIELD

LAIDLAW FOUNDATION ASSESSMENT CRITERIA
(Capacity Building Training and Skills Development Program)

Organization/Group Assessment Criteria	Proposals will be assessed along the following criteria: • Applicant organization/group meets all eligibility criteria and any other requirements specified in this document • The reason for wishing to engage in the proposal organizational capacity building activity is clearly explained and the request is in keeping with the Capacity Building/Training & Skills Development Program • The amount requested is reasonable and consistent with proposed activities • A contribution is made to the knowledge base of the youth-led sector
Individual Assessment Criteria	Applicant meets all eligibility criteria and any other requirements specified in this document. • The reason for wishing to engage in the proposed professional development activity is clearly explained and the request is in keeping with the Capacity Building/Training & Skills Development Program • The amount requested is reasonable • A contribution is made to the knowledge base of the youth-led sector

NOTES

STAGE 2



Obtaining Proposals

OBTAINING PROPOSALS

When you have created a framework to guide your grantmaking decisions, you are ready to begin the stage of obtaining grant proposals.

This section describes the typical tasks involved in obtaining good proposals.

CHECK LIST

FOR GOOD GRANT PROPOSALS

- Scan the landscape
- Develop proposal guidelines
- Stage the process
- Decide on grant exclusions
- Structure the grant
- Communicate with grantseekers

2.1 Scan the landscape

Your mission helps you to focus on your field of interest. Now you can take the step of scanning the landscape.[12] Why is this worthwhile?

Scans are useful to identify:

- **gaps** in existing funding for charities or underserved areas of charitable activity;
- **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; and
- areas for potential **funder collaboration**. Almost all 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.

[12] A good reference document for assessing needs is *Scanning the Landscape 2.0* by Grantcraft.

Some foundations engage external consultants to undertake a needs assessment. Smaller foundations can use simpler and less expensive ways to perform their own assessments. A foundation's Board of Directors could host a working dinner, for example, and invite individuals known to be experts 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.

"Gathering information about your field of interest, or scanning the landscape, is a critical step. Your plan is likely to be significantly more effective if you take the time and energy to learn from other funders, nonprofits, available research and more."[13]

While a needs assessment is very useful for new or emerging foundations, it is also good practice for established foundations and especially those exploring a new field of granting.

"An important part of any assessment process is the understanding of the wider environment."[14]

2.2 Develop grant proposal guidelines

It is good practice for a foundation to offer detailed guidelines to help potential grantees develop a proposal.

Guidelines can:

- help potential grantees determine the extent to which their funding request is aligned with the foundation's priorities and granting criteria; and
- help applicants decide whether or not to apply; and if so understand the process to submit a grant proposal.

[13] Beggs. p. 40.
[14] Unwin. p. 46.

CHECKLIST
FOR GRANT GUIDELINES

Guidelines should include the following information:

- Statement of purpose and objectives: The foundation's mission, goals and objectives
- Statement of grantmaking criteria used by the foundation

If not already included in the grantmaking criteria, the guidelines should include information about:

- Geographic scope and/or limitations
- The target population
- The 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
- Contact information

"Many grant seekers rely on written guidelines as their primary resource in determining whether to apply to a foundation for a grant. They therefore emphasize that guidelines should be as detailed and precise as possible. And they should be current; more than a few mentioned the problem of rapidly shifting but poorly communicated changes in guidelines."[15]

[15] William Ryan. *Saying Yes/Saying No to Applicants.* Grantcraft, 2004, p.22.

EXAMPLE FROM THE FIELD

The J. Armand Bombardier Foundation provides the following detailed information in the form of questions and answers for would-be grant applicants:

What is the deadline to submit an application?	There is no deadline. Applications are studied all year round.
Does the Foundation accept applications by email or by fax?	Applications may be submitted by mail or by email. The Philanthropic Activities Office does not have a fax machine. Sending an application by express courier offers no advantage. We encourage applicants to avoid these needless expenses.
How many times a year may an organization submit an application?	Once every twelve months.
What amount should I request?	The amount of the donation depends on the size of your organization, our habitual donations in your sector of activity and, in the case of a project, the funding required for this specific project. Please bear in mind that, in the interest of long-term viability, we encourage projects benefiting from financial support from different partners.
What is the deadline to respond?	A maximum of 90 days is provided following the application, except in the summer period, when the deadline may be extended to 120 days.
Can we meet a representative of the Foundation to present our organization or our project?	Due to the many applications submitted to us and to favour follow-up visits for active donations, we cannot accept requests for meetings with applicant organizations. However, please do not hesitate to call us to ask more specific questions or to verify your application's compatibility with the Foundation's interests.

2.2.1 Application basics

It is a good practice to review your application process to ensure that it is not unnecessarily demanding for grantseekers. While each foundation may seek information specific to its unique funding interests or criteria, it should only request the information that is necessary to make an informed decision. Indeed, this is an area where funder collaboration can be really helpful. Many charities expend significant time on completing 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.

CHECKLIST

GRANT APPLICATION

INFORMATION TO BE INCLUDED IN AN APPLICATION

- ✔ Confirmation of a charity's CRA Business Number (BN)

A description of the proposed project including:

- ✔ Budget
- ✔ Expected timelines, deliverables and outcomes
- ✔ Identification of the key personnel involved including roles and qualifications
- ✔ Proposed partners/other funders (if any)

Financial information including:

- ✔ An organizational budget
- ✔ A copy of the annual report to CRA (T-3010)
- ✔ The most recent financial statement

Other important elements in the proposal may include:

- ✔ A history and overview of the organization including annual report, newsletters, etc.
- ✔ A current business or strategic plan
- ✔ A description of the applicant's governance process and structure
- ✔ A plan for evaluation of the project

2.3 Stage the process

While some grantmaking foundations will accept fully developed grant proposals without any prior contact with the foundation, more Canadian foundations are using a staged application process to pre-screen potential grant requests. Potential grantees are invited to submit a short letter of intent or letter of interest (LOI). The LOI would provide a summary of the proposed grant, summary budget and an explanation of how it meets the foundation's goals and granting criteria. If the foundation is interested, it could invite a full application. If not, the potential grantee would be notified at this stage. For more on pre-screening, see Section 3.1.

2.4 Define grant exclusions

Informing grantseekers about which activities are not eligible for funding is also very helpful to both foundations and charities. Information about grant exclusions can reduce the number of grant applications a foundation receives. Many foundations now choose to exclude capital campaigns for building projects, for example.

EXAMPLE FROM THE FIELD

Grant Exclusions
The Salamander Foundation

Grants will not be made for the following:	• Building funds • Bursaries or scholarships • Capital campaigns • Conferences, seminars or workshops • Deficit financing • Emergency funds • Endowments • Festivals or events • Film projects • Land acquisition • Matching funds • Public awareness / public education (as a project's primary purpose) • Seed funding • Sponsorships • Individuals
Nor does the Foundation currently make grants or donations to organizations for:	• general program delivery • core support • general or operating support

2.5 Structure the grant

To structure the grant you need to consider:

- the maximum or minimum amount of a grant;
- the period of the grant (one year or more);
- deadlines for your application process; and
- whether you will fund operating costs of an organization.

2.5.1 Amount and length of grant

Foundations can choose to vary the maximum dollar amount of a grant that will be considered or the length of time over which the grant will be disbursed (single-year or multi-year). These decisions will be influenced by many factors including the asset size of the foundation, and its grantmaking style and philosophy. For example, a smaller foundation with a reactive philosophy might consider making many small grants annually. A larger foundation with a proactive philosophy could make fewer, large, multi-year grants.

2.5.2 Deadlines

It is a good practice to establish and publicize grant application periods and deadlines. In some cases, foundations have rolling rather than fixed deadlines enabling the grantees to submit requests at any time. Detailing deadlines as clearly as possible on a website is extremely helpful to grantseekers as it allows them to plan for their submissions. It is also helpful to the foundation board or staff who want to plan for a period of proposal analysis and selection.

2.5.3 Funding organizational costs

The success of a grant making foundation is directly linked to the success of the organizations it supports. Foundations 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.

Foundations can structure their grantmaking in a variety of ways that can help strengthen the capacity of the organizations they support. Some examples are described below:

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 foundations 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. The Carthy Foundation of Calgary is an example of a funder that encourages full cost accounting in its project applications:

> "While we do not provide grants solely for administrative costs, we encourage full cost accounting for all projects and we expect that project budgets will include related administrative and overhead expenditures."[16]

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.

[16] http://www.carthyfoundation.org/faqs.htm

EXAMPLES FROM THE FIELD

ARIIVA (A Really Interesting Internship in Visual Arts), an initative of the Rozsa Foundation in Calgary, provides employment opportunities for recent visual arts graduates in their selected field enabling them to advance their critical acumen through the programming component of the internship. Additionally, it is intended that the program will assist art galleries or collectives in addressing staffing challenges, particularly in the area of programming and offer an opportunity to help build internal capacity.

The Muttart Foundation in Edmonton provides capacity building grants for leadership development opportunities for staff and key volunteers. The grants can be used to pay for tuition or registration fees for short-term courses, workshops, conferences or other formal training opportunities. In addition, the foundation supports peer learning by providing grants for two or more grantees which have similar training needs.

Convening and Providing Funding Assistance

Foundations can host workshops relevant to the work of their grantees on a range of topics ranging from evaluation to advocacy and governance. The Jimmy Pratt Foundation in St. John's uses this technique and video tapes the workshops which it then makes available on its website.[17] 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.

[17] For more information, visit http://jimmyprattfoundation.org/videos/

EXAMPLE FROM THE FIELD

The **Fondation J. Armand Bombardier** runs the Philagora program, a capacity building initiative for community organizations. The program enables a cohort of 10-12 Montreal-based community organizations to come together over six months in a facilitated innovation process. Participants are able to learn from each other in developing new tools and practices that will help them conceive and implement change strategies in a complex environment.

2.6 Communicate with grantseekers

The more advice and information that a foundation provides to grantseekers, the more likely it is to obtain proposals that meet its criteria and fit with its overall goals. Foundations use many different approaches to communicate their grantmaking criteria and solicit proposals, including:

- **Websites** – It is relatively easy to create a website to communicate grant making criteria and provide other information that can strengthen the grant making process.
- **E-mail** – in combination with a website, e-mail remains the most cost effective way to communicate with grantees and potential grantees.
- **Annual reports** – While not all foundations publish annual reports, these can be an effective way of communicating granting priorities.
- **Public meetings** – Some foundations organize public "town halls" or information sessions to explain their grantmaking criteria. Others use third party public events, like conferences or workshops, to get the word out.
- **Social media** – Use of social media such as Facebook, Twitter and YouTube is increasing in philanthropy, although not yet commonly used to solicit grant proposals.

2.7 Share information

With increasing scrutiny and demands for transparency, how can foundations share more information with their grantees and others?

Many Canadian foundations still have no web presence. Some may believe that the less information they make public, the fewer grant requests they will receive. In fact, the opposite is more likely to occur. Protecting the privacy of donors or foundation Board members is another explanation sometimes given. In reality, substantial public information about foundations is readily accessible from a number of sources. It is almost impossible in this era of Internet-facilitated data search engines for any registered foundation to remain anonymous.

The principal source of public information about foundations is the Charities Directorate of CRA. The Charities Directorate offers Charity Quick View, an online resource, which displays information including graphs and charts on each registered charity including all registered foundations. Beyond this, a simple phone call to the Directorate is all that is needed to access the following information about any charity including a registered foundation:

- a copy of the registered charity's governing documents, including its statement of purpose;
- a copy of the public portions of a charity's application for registration;
- the names of the individuals who at any time were the charity's directors/trustees and the periods during which they were its directors/trustees; and
- a copy of financial statements filed as part of a charity's annual return.

Foundations choosing not to establish a web presence may actually be undermining their own efforts to be efficient. Charities seeking funds will search all sources of information about the foundation's activities some of which may be out-of date, misleading, or even inaccurate. If a foundation doesn't describe its own grantmaking priorities and criteria in an "open source" world of hyper information, others will do it for them.

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

- communicate granting criteria and priorities to potential grant applicants;
- explain the foundation'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 foundation's website to showcase their work);
- foster knowledge transfer by posting grant funded research and reports; and
- strengthen governance through the use of Board dashboards and portals.

An open licencing policy can also increase public access to research, data, photographs, videos and other products created with foundation grants. It would require grantees to apply a Creative Commons Attribution Licence to foundation funded projects and research while enabling grant recipients to retain copyright over materials. The Vancouver Foundation announced the adoption of an open licencing policy in 2015.[18]

[18] https://www.vancouverfoundation.ca/news/may-07-2015/vancouver-foundation-becomes-first-canadian-community-foundation-join-open.

Additional ways to obtain good grant proposals:

Include on a foundation website:

- a list of Frequently Asked Questions (FAQ);
- a list of recently awarded grants. The Metcalf Foundation in Toronto, for example, enables website visitors to search their grants database by keyword, program area or year;
- a description of the most common mistakes made by grant applicants and reasons for refusal; and
- a list of 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, for example, 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; and
- invite some unusual ideas by keeping open a place for grantseekers to let you know about an idea 'out of left field'. The Lawson Foundation keeps an *Ideas Portal* for such innovative proposals on its website.

CHECKLIST*

OPENNESS AND TRANSPARENCY

An open and transparent foundation is one that makes public the following information:

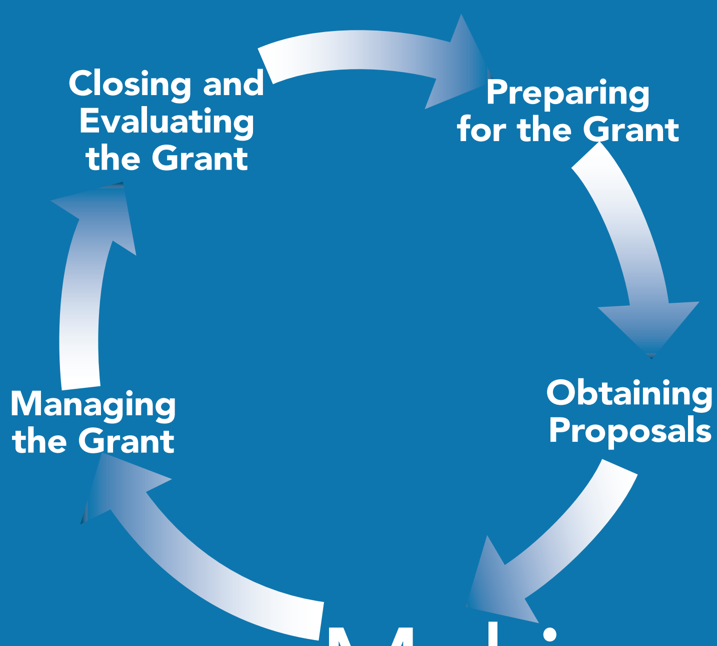
- Key contact information including telephone number, address and email
- A mission or purpose statement
- Grant guidelines
- A description of the grant application format and selection process
- A summary of grantmaking priorities and strategies
- A searchable database of previous grants awarded
- A list of staff members including bios
- A list of foundation 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 learned

A summary of key organizational policies relating to:

- Investment goals
- Conflict of interest
- Executive compensation

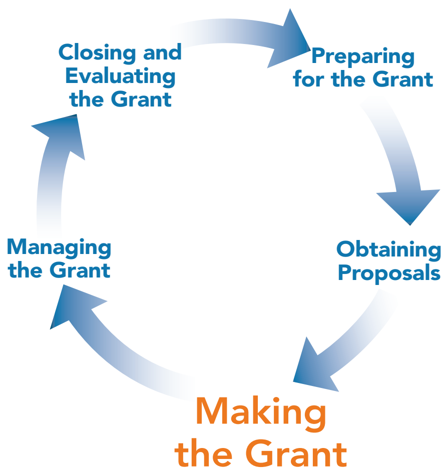
* This checklist has been adapted from the Foundation Center in New York and is included on the website www.glasspockets.org

STAGE 3



Making the Grant

MAKING THE GRANT



Once you have decided on your focus, and you have obtained some excellent proposals from grantseekers, you need to make some grant choices.

CHECKLIST
FOR MAKING THE GRANT

The key elements include:

- Screen
- Get advice
- Conduct site visits
- Make the decision

3.1 Screening

A charitable foundation must screen its grant applications to ensure that they come from qualified donees, as defined by the Canada Revenue Agency (CRA).

Most applicants will be registered charities and their eligibility can be quickly confirmed by searching the Charities Listings section of CRA's website. Foundations are able to award grants to other qualified donees, including registered Canadian amateur athletic associations, First Nations and municipal governments, among others. A full list of qualified donees is provided on the CRA website.

The next screening step is to examine the grant proposal for fit against the foundation's criteria. As mentioned, while many foundations accept full proposals without any prior contact with the applicant, foundations can screen potential applicants before they move to the full application stage.

In staffed foundations, the initial screening of applications is almost always done by staff members. In fact, this is often the reason that foundations decide to hire professional staff; the assessment of grant applications becomes too much of a burden for volunteer directors, as is the case in many small family foundations.

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

Some of the techniques most commonly used by Canadian foundations to screen applicants are described below.

Phone Calls and/or E-mails

Some foundations encourage or require potential applicants to email or phone before submitting a proposal in writing. The Laidlaw Foundation in Toronto, for example, invites early contact with potential grantees and provides a link to telephone and contact information for all staff. "We are happy to hear from you at the earliest stages of the development of an idea for a project. Much of funding is about building relationships, not just about an application and a grant. Please feel free to contact our staff to talk about the issue you want to tackle." The Lyle S. Hallman Foundation in Kitchener requires potential applicants to phone the Executive Director and schedule a meeting to discuss the potential proposal.

While this step may be initially more time consuming and demanding for foundation staff, it ensures that grant requests are a better fit with the foundation's goals and philosophy.

Letter of Intent

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

The requirements for an LOI can be specified on a foundation's website. See, for example, the format used by the Max Bell Foundation.

EXAMPLE FROM THE FIELD

Letter of Intent
Max Bell Foundation

Before writing a full proposal, please send us a Letter of Intent for our review. Letters of Intent must answer the following questions:

1) What is the goal of the project you are intending to do? *(~150 words)* (We understand a goal to be a specific, measurable, intended result of a set of pre-planned activities.)

2) What public policies and/or practices will your project address? *(~150 words)*

3) What do those public policies and/or practices look like now? *(~150 words)*

4) How will your proposed actions inform these public policies and/or practices in the way you intend? *(~150 words)*

5) Why do you believe this project should be undertaken? *(~150 words)*

6) How much will it cost? Please provide both a total project cost, as well as a budget breakdown by the following categories: personnel; contracts; office expenses; travel; communication; and other.

Please append to your Letter of Intent:

- a copy of your registered charity number issued by Canada Revenue Agency
- your most recent annual report
- your most recent audited financial statement

Please allow 4 to 6 weeks for us to respond to your Letter of Intent. The letter of intent will be evaluated by the Foundation to assess its fit with our mission and granting guidelines. In some cases, a more detailed proposal may be invited.

Full Proposal Guidelines

Foundations that use a LOI to screen applications generally provide detailed guidelines to those LOI applicants invited to submit full proposals. See, for example, the guidelines used by the McLean Foundation.

EXAMPLE FROM THE FIELD

Proposal Guidelines
The McLean Foundation

If you have already submitted a letter of inquiry and The McLean Foundation has invited you to submit a full proposal, please follow the guidelines below.

The Foundation does not utilize application forms and does not require any standardized format. Applications should take the form of a brief descriptive letter with such supporting documents as may be appropriate. All applications submitted require the following information:

1. Applicant	Provide a brief description of the organization, its purpose, date of establishment, board and staff, budget, programme, and past accomplishments. Is the applicant better qualified to achieve the desired results than other organizations or government agencies? Does the project avoid duplication of similar efforts already being conducted by other organizations?
2. Project Goal	Briefly outline the proposal and what it seeks to achieve. The Foundation recognizes the importance of local involvement in community activities. In view of the number of applications which it receives, the Foundation encourages ventures of an exclusively local interest to rely on community support.
3. Funding	Provide a budget for the proposal. In addition, list individuals or organizations whose support has been requested, or may be requested. Indicate those who have agreed to assist and those who have declined.
4. Duration	State the expected duration of the project and indicate whether continued financial support will be requested from the Foundation or other organizations for a number of years.
5. References	List the names of informed persons independent of the organization and its leadership, who may be consulted on this project.
6. Previous Contact	Indicate any previous contacts with The McLean Foundation.
7. Finances	Provide the organization's most recent financial statement.

Online Applications

An increasing number of foundations are taking advantage of technology and using their websites both to screen potential grantees and to enable applicants to submit their requests electronically. The Rozsa Foundation in Calgary, for example, uses an on-line query letter or letter-of-intent. The Lyle S. Hallman Foundation of Kitchener uses an on-line application process and doesn't accept written proposals. The Lawson Foundation also enables applicants to submit on-line letters of intent and full proposals.

No Application Form

Although it is not common, some foundations choose to forego a formal application process altogether. In reply to a 2011 survey of Canadian foundations, one foundation described their process as follows:

> "We do not have an application form that grantees have to complete. We [staff] fill it out ourselves so that the Board is not influenced by spelling mistakes, poor grammar or the unprofessional presentation of content. This way the Board can judge the idea not how it was presented."[19]

3.2 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 foundation 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 (The Counselling Foundation of Canada) indicates that it is common practice for larger foundations to solicit input from external experts. Foundations 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 foundations provide honoraria for such reviews ranging from $300 to $500 depending on the complexity of the application.
- **Grant advisory committee** – Some foundations convene meetings of a group of reviewers who collectively assess and make recommendations about all or a subset of all grant requests received during a particular granting cycle.

[19] The Counselling Foundation of Canada, 2011.

"The expert review process we use has been highly successful. We get useful information from a panel of experts regarding the merit of the project which helps with our granting decisions. But equally important, we provide the aggregate comments to the applicant which gives them valuable information on their own project and approach that they might not otherwise receive."[20]

The way in which feedback is provided by individual reviewers varies considerably ranging from a standardized template to an informal e-mail to a phone conversation. Input from a grant advisory committee tends to be more structured. The views of external reviewers are usually shared with Board members. In some cases, the verbatim opinion of external reviewers is shared directly with the Board. In other cases, staff will summarize the comments of external reviewers in the written grant recommendations provided to Directors, or through a verbal summary during the Board's review of grant recommendations. Whatever method is used, a foundation's grantmaking process is enhanced by soliciting outside perspectives.

3.3 Site visits

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

Site visits are usually undertaken by a foundation staff member. Some foundations invite Board members to participate in site visits either all the time or occasionally. It is helpful, however, to remind Directors that they are participating in site visits in a learning capacity and not as part of the foundation's operational due diligence process.

Foundations should be aware that a site visit can impose stress and time demands on the organization submitting a grant application. Applicants often get their hopes up when a foundation requests a first site visit. As a result, foundations should only undertake visits of applicants that have a reasonable chance of being awarded a grant. They should also emphasize when arranging for a site visit that it provides no guarantee of a positive outcome.

[20] The Counselling Foundation of Canada, 2011.

CHECKLIST
FOR SITE VISITS

- 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
- Pose any additional questions

3.4 Make the decision: Role of the board

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

In some cases, the entire grantmaking decision process is Board-led. Directors review and assess every grant application that has been submitted and make decisions accordingly. This approach is more common for volunteer-led and family foundations with no staff. Trustees of staffed foundations usually delegate some authority to staff members. The screening process can begin with a staff review of an initial letter of intent (LOI). 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.

"Increasingly, I think the most important role the Board plays — as distinguished from the important trusteeship and auditing responsibilities — is that it provides different and sometimes unexpected perspectives on issues that the staff and I have thought through."[21]

– Paul Brest, former President of the William and Flora Hewlett Foundation

A Board may also delegate some grantmaking decisions entirely to an advisory committee, a practice followed by the Laidlaw Foundation in Toronto. For Laidlaw's youth-led Community Change and for 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. However, this type of delegation is rare among Canadian foundations.

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.

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 foundations, individual Board directors are able to 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.

CHECKLIST

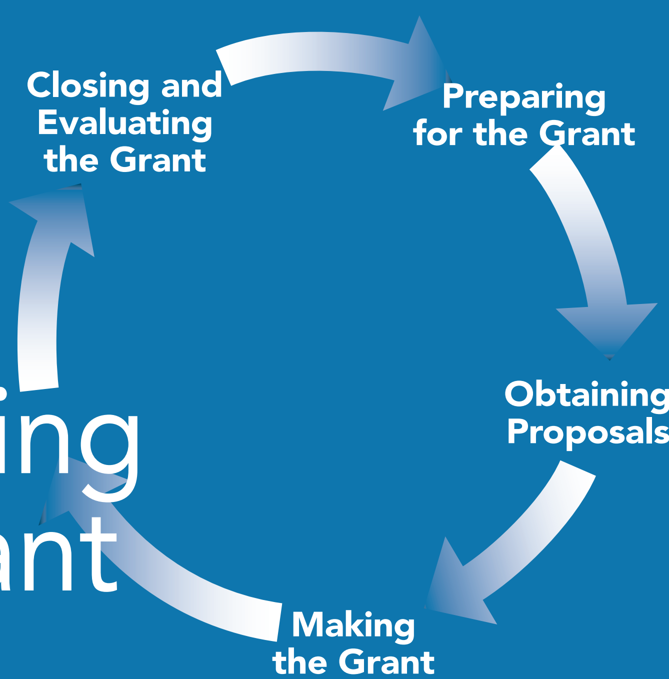
FOR ENGAGING BOARD MEMBERS

- Recruit new Board members systematically; informal conversations should take place to determine interest in the foundation before someone is officially invited to join a Board
- Use a consent agenda; this focuses a Board's attention on key strategic issues and larger grant requests
- Engage the Board in site visits; this can provide an invaluable learning experience
- Hold pre-Board dinners or other informal sessions prior to the meeting to strengthen communication and relationships and to surface issues that may not come up during the formal meeting.

[21] Christine Letts. *Effective Foundation Boards: The Importance of Roles.* October 2005, The Hauser Center for Nonprofit Organizations and The Kennedy School of Government. Harvard University, Working Paper No. 26, p. 19.

NOTES

STAGE 4



Managing the Grant

MANAGING THE GRANT

You have made a decision to award a grant. Now what? This section covers the main elements in the management of a grant during its active phase.

CHECKLIST

FOR MANAGING THE GRANT

- Communicate the grant decision
- Manage the grant through reports and technical systems
- Spot grants that are going "off the rails"

4.1 Communicate grant decisions

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.

> "Nonprofit organizations' number one complaint about foundation behaviour is the difficulty in getting a response to an inquiry – whether via telephone, mail or email."[22]

[22] Bruce Sievers and Tom Layton. Best of the Worst Practices. *Foundation News and Commentary*. March/April 2000, Vol.41, No. 2, Council on Foundations, Washington, D.C.

4.1.1 Saying yes

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

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

Ideally, successful applicants should receive a personal phone call or email with the news. This is, after all, the beginning of the next stage in the relationship between the grantee and the foundation. The contact should be followed up with a written confirmation of the grant.

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

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

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

EXAMPLE FROM THE FIELD

GRANT NOTIFICATION LETTER

I am pleased to advise you that the Trustees of the Foundation have approved a grant of <<$ amount>> for <<project title of the request>>. Your staff contact for this grant is <<staff person's name>>.

The grant is for the purposes and conditions set forth in your proposal of <<Request Date>> and may be spent only in accordance with the project's provisions, as submitted to and approved by the Foundation. Any changes to the project or to the uses of these funds should be discussed with, and agreed to in advance by the Foundation.

To assist us in monitoring this grant, we ask that you submit reports to the <<Foundation >>. Although we do not have a standard reporting format, we do have a few guidelines. We would prefer to receive a concise and precise document (four to five pages). The report, which can take the form of a letter, should provide the << Foundation >> with a candid assessment of the progress of the project, its challenges or difficulties, and what has been learned so far. The report should list the results achieved to date and state what is planned for the next period. In addition to the narrative report, we require a financial statement detailing how the << Foundation >> grant funds have been spent (both for the period for which you are reporting and the term of the grant) as well as your most recent audited financial statements. We prefer that you not send attachments unless they are essential; we will ask for additional information if needed. Your first report should be submitted one year following the start-up date of the project.

A cheque in the amount of <<$ amount>> is enclosed in payment of the first instalment of the grant. Kindly sign the enclosed acknowledgement form and return it to us. We appreciate your prompt attention.

Provided that the terms and conditions of the grant are met, the balance will be paid in instalments as shown below. Review of the report and processing of the payment can take up to one month from the date of receipt of the progress report.

Date Report Due	Payment Amount
xx-xx-xxxx <<type of report required>>	$xxxx
xx-xx-xxxx <<type of report required>>	$xxxx

The << Foundation >> encourages grantees to build in sustainability, or plan carefully for program termination, right from the start of a particular project or initiative. It is extremely rare for the << Foundation >> to approve grant extensions.

Given the helpfulness of listing major donors, public acknowledgement of the << Foundation>> support is permitted. Please ensure the << Foundation>>is listed as <<enter appropriate signage>>. Prior to the issue of a press release or other form of public recognition of this grant, we would ask that you contact the << Foundation>> concerning the announcement text.

4.1.2. Saying no

An informal survey of grant managers in the US indicated that their foundations approved only about 25% of the requests they received.[23] It is likely that the approval ratio is similar for Canadian foundations. Even with efforts to reduce unsuitable grant applications, most foundations 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 foundation indicates its appreciation for the efforts entailed by all grant applicants. While there doesn't appear to be any consensus about a "best" practice in providing a detailed explanation of the reasons for the decline, foundations approach this issue 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 only if the grant applicant asks for one; and
- explanations are never or rarely provided.

Foundations that do provide written explanations for a declination do so for one or both of the following reasons:

- **Ethical/moral** – Foundations have a moral responsibility to provide feedback to unsuccessful grant applicants because of the time and effort expended to prepare the application.
- **Capacity building** – If an application is rejected because of a specific weakness or omission in a proposal that could be corrected, candid feedback to the applicant may enable it to strengthen the proposal for reconsideration by the foundation or some other funder.

An even more respectful way to communicate a "no" decision than a written letter is to make a personal phone call to the applicant. If the foundation doesn't screen initial enquiries before accepting full applications, however, this may prove onerous. Foundations need to decide on their referral approval based on staff capacity and number of applicants.

[23] Ryan. *Saying Yes/Saying No to Applicants*. p. 3.

4.1.3 Manage expectations

It is a good practice to manage the expectations of applicants so that there are as few surprises as possible. For example, grantseekers need to understand what to expect from their contacts with a foundation. Without clear communication, expectations may be created that are not intended. Even a delay in receiving an answer is interpreted as increasing the likelihood of a yes answer.

"Like a defendant watching the clock during jury deliberations, some grant seekers will assume that the longer the decision takes, the better the outcome will be."[24]

Grantseekers commonly complain about the silence and delay in getting a response to their application. This might be better managed if grantseekers knew when grant decisions were being made and if the foundation is committed to responding within a specific period of time.

Being as candid as possible with grant applicants about their potential for success is very important. This applies to all foundations whether staffed or unstaffed. Once the grant is made, though, accessibility and ongoing communications with grant managers or foundation directors can make an important difference to the relationship and to the eventual outcome of the grant.

"When nonprofit leaders are asked what, in their experience, distinguishes the best donor-grantee relationships, they invariably cite the same three characteristics: clear communications, consistent expectations, and a sense of mutuality and respect."[25]

[24] Ryan. *Saying Yes/Saying No to Applicants.* p. 9.

[25] Thomas J. Tierney and Joel L. Fleishman. *Give $mart: Philanthropy that Gets Results.* New York: Public Affairs, 2011, p. 182.

4.2 Manage the grant

4.2.1 Right-size your requirements

As a foundation considers which grant management practices are appropriate for its own situation, it should also consider the impact those practices will have on its grantees. In particular, it should ensure that its practices are tailored to the circumstances of a specific grant. A foundation's requirements for a grassroots community group receiving a small, one-time grant should differ from the conditions attached to a large, multi-year grant to a hospital or university, for example. The concept that foundations should tailor their expectations of grantees has become known as "right-sizing". Project Streamline, an initiative of the Grants Managers Network in the US describes "right-sizing" the process as follows:

> "Right-size grant expectations. Ensure that the effort that grantseekers expend to get a grant is proportionate to the size of the grant, is appropriate to the type of grant, and takes into consideration any existing relationship with the grantee."[26]

The notion of right-sizing can be applied to all aspects of grantmaking but is of particular importance at the application and reporting stages.

4.2.2 Use technology to track grants

Advances in information technology have brought huge benefits to the foundation world. An increasing number of funders are going "paperless", for example, and using Board portals to share all grant related information with their Directors. It is the grant making process, however, that can benefit most from technology. [27]

Canadian foundations surveyed by The Counselling Foundation of Canada in 2011 reported that an effective grant tracking system was essential to supporting the grantmaking decisions of staff and Board. The standard grantmaking software does comes with many "bells and whistles", so much so that it may be underutilized. At the same time, however, many foundations report that their software didn't allow for a tailored approach that would enable them to extract the data and information specific to their grantmaking needs.

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[26] Grant Managers Network. *Right Sizing the Grant Making Process*, 2014, p. 3.

[27] Idealware in collaboration with the Grants Managers Network and the Technology Affinity Group publishes a guide evaluating the most commonly used grants management software. http://www.idealware.org/reports/consumers-guide-grants-management-systems.

In a May 2015 webinar, PFC members shared some key learnings about choosing the right grants management software:

- There is no single, "silver bullet" piece of technology or software that is going to meet all of the digital needs of a foundation. A number of different programs or software will be required but they must be "right sized" so that they are appropriate to the specific circumstances of the foundation.
- The number of software programs a foundation 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, foundations are advised to pilot test new grantmaking software with a select group of grantees.
- Foundations 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.
- Before beginning, it is important to establish a process that outlines the sequence of tasks to be undertaken to review and replace grantmaking software. See an example of a process flowchart provided courtesy of Grantbook in the Appendix A.

Whatever the grants data tracking system used, it is important to think about what information your system will capture. You can choose which categories to track. Some of these categories of information that you want to track with respect to your grants are listed in Appendix B.

4.2.3 Reporting requirements

Most foundations require reports from grantees during or at the end of a grant. As already mentioned, the frequency and nature of reporting requirements should be "right-sized" and proportionate to the amount and duration of the grant. An interim report may be necessary for a large, multi-year grant. Smaller grants over shorter time frames may only require a single report. For examples of both an interim report framework and a final report framework, see the Examples from the Field.

There can be much variation in the reporting formats used by foundations. At a minimum, most foundations require basic financial information as a form of accountability. Foundations as stewards of charitable funds 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 foundation.

Foundations may also require reports for learning and evaluation, as well as for measurement of impact. Whatever the reason, a foundation should be clear about what information it needs in a report from grantees 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 foundation and/or the grantee to be more effective, then it shouldn't be gathered.

> "One of the most common sources of frustration for nonprofit leaders is being asked for elaborate reports on their performance and progress which then, as far as they can tell, go absolutely nowhere."[28]

It is useful to try to be aware of the reporting expectations of other funders of the same project or charity. Reports prepared for other funders may very well serve your needs and reduce the time demands and administrative burden on your shared grantees.

[28] Tierney and Fleishman, p. 184.

> "Most nonprofits have multiple funders. If each of those funders established his or her own set of critical metrics, the nonprofit's cost of capital will escalate, while the chances of actually gleaning useful information will plummet. So if the organizations you're supporting do have good measurement systems already in place, listen to what they propose, and think hard before inventing new measures for them."[29]

Eight of ten Canadian foundations surveyed in 2015 reported that they followed up with grant recipients after receiving reports but only occasionally. All of the respondents indicated that they found these follow up discussions to be very helpful, however. As one said, post-report discussions are "a really good use of my time and don't take very long. They are good for relationship building and draw out a richness of information not conveyed in the reports".[30]

[29] Tierney and Fleishman, p. 202.
[30] The Counselling Foundation of Canada, 2015.

EXAMPLE FROM THE FIELD

INTERIM REPORT GUIDELINES

Report Length

We request that your grant progress report be accurate and comprehensive yet concise rather than prescribing a specific length.

Your progress report should include:

1. **Cover sheet**
2. **Executive summary that describes the funded project and summarizes the report details**
3. **Report details**
   a) Assessment of the project's progress as measured against initial objectives listed in the grant proposal and/or Donor Agreement.
   b) Challenges and/or unexpected opportunities, and what has been learned so far.
   c) List of opportunities (conferences, community presentations, publications, etc.) you have had to share the knowledge learned from the project.
   d) Changes in key organization and/or project personnel.
   e) Brief summary of the project plans for the upcoming year.
   f) One or two success stories that illustrate the work being done through this grant.
4. **Attachments**
   a) Interim financial report for the project, including:
      i) project revenues and expenses to date compared to the original budget;
      ii) identification of project costs covered by the Foundation;
      iii) other sources of support, including the value of in-kind contributions;
      iv) brief explanation of major variances from original budget.
   b) Copy of the organization's most recent audited financial statements, if not already submitted.
   c) Copy of the organization's summary operating budget for the current year.
   d) List of current Board of Directors, if not already submitted.

FINAL REPORT GUIDELINES

Report Length

We request that your final grant report be accurate and comprehensive yet concise rather than prescribing a specific length.

Final Report Content

Your report should include:

1. **Cover sheet**
2. **Executive summary that describes the funded project and summarizes the report details.**
3. **Report details.**
   a) Assess the project's accomplishments as measured against initial objectives listed in the grant proposal and/or Donor Agreement. Describe unexpected opportunities and challenges. If you did not receive full project funding from all sources, please explain how you adjusted your project. If your project involved collaboration with other organizations or individuals, please comment on the effect on the project. List materials and other products created by the project.
   b) Describe key lessons you learned from this project. What lessons are important to share with groups doing similar work?
   c) Describe the methods and results of the project's evaluation as measured against the original indicators of success. Enclose a copy of the evaluation report, if available.
   d) List the opportunities (conferences, community presentations, publications, media, etc.) you have had to share the knowledge acquired during the project.
   e) Describe if and how the project will be continued and any future work you anticipate will build upon this project. Describe any other impact you believe the project may have on the project's target community and beyond.
   f) Describe one or two success stories that illustrate the work accomplished through this grant.
   g) As you reflect on the course of this grant, was the grant significant to your work in any way beyond the accomplishments discussed above? Please share comments you think will inform us about your grant experience.
4. **Attachments**
   a) Financial report for the project, including:
      i) actual project revenues and expenditures, including in-kind contributions, compared with the original budget;
      ii) identification of project costs covered by the Foundation.
      iii) brief explanation of major variances from original budget.
   b) If the grant funds have not been completely expended at the end of the grant period, provide a statement of the balance and a plan for using the remaining funds.
   c) Project Evaluation Report, if available.
   d) Copy of the organization's most recent audited financial statements.
   e) List of current Board of Directors.

Feedback on Grantmaking Process

We try to make our grantmaking process easy to understand and reasonable and welcome your feedbackon the application process and requirements, proposal review process, and grant reporting requirements.

4.2.4 Building a better relationship

It is only through the success of the organizations it funds that a grantmaking foundation is able to achieve its own mission. It follows, then, that the stronger the engagement between funder and grantee, the more likely that both are to succeed. According to the Center for Effective Philanthropy:

> "At the heart of your relationship with your grantees is your ability to communicate—to listen well, to clearly convey important information, to address opportunities and challenges, and to show that you are truly committed to the nonprofit organization with which you are working. Such work is difficult, and it takes time. But our data show that the effort pays off."[31]

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. Foundations are implementing a variety of measures to strengthen their engagement with grantees – and potential grantees. By way of summary for many of the suggestions made throughout this guide, we quote the following helpful list of measures to strengthen relationships with grantees:

Obtaining Applications

- Use a staged process; request an initial, brief letter-of-intent or concept note before inviting full blown grant proposals from a select group of applicants.
- Enable potential applicants to seek clarification about grant application criteria, process, timelines etc. Increasingly, webinars and tweet chats are being used by foundations as a relatively simple and cost effective way to convey grant application information.
- Right-size the application so that it is proportionate to the amount and duration of the grant and reflects any previous relationship between funder and grantee.
- Provide reasons for grant declinations enabling applicants to determine whether to apply again and/or how they might strengthen their proposals.

[31] *Working Well with Grantees: A Guide for Foundation Program Staff.* The Center for Effective Philanthropy. 2013, p. 26.

Monitoring the Grant

- Use site visits to meet staff and gain a "first hand" understanding of the work being undertaken
- Clarify for grantees and right-size the expectations for site-visits so that grantees aren't unduly burdened
- Attend public events, meetings or presentations made by grantees

Reporting

- Ensure that reporting requirements are right-sized and appropriate to the amount and duration of the grant.
- Whenever possible, enable grantees to submit final reports prepared for other funders.
- After submission of final reports, offer to meet with grantees to discuss the project and lessons learned.

Seeking Feedback

- Undertake simple and anonymous surveys of grantees (e.g. Survey Monkey) to solicit feedback about ways to strengthen the grant criteria, for example, or to improve the foundation's granting process and practices.
- Engage an external party to facilitate workshops or focus groups of grantees intended to provide feedback to the foundation about its' process and practices.

4.2.5 Spot grants that are going "off the rails"

Every foundation has experience with grants that fail to achieve the purposes and outcomes for which the funding was awarded. A variety of factors can contribute to grant failures:

- **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.
- **Design or implementation flaw** – Unexpected flaws in the design or implementation of a project can derail a project. If spotted and acknowledged early enough, however, these kinds of technical flaws can usually be rectified.

- **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.

The potential for a grant to fail may be evident in advance. Reflecting on their experiences with grants that had failed, a group of US grantmakers identified the following:[32]

- **Cash flow problems** – While many charities are occasionally cash strapped, warning bells should sound if the foundation 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.

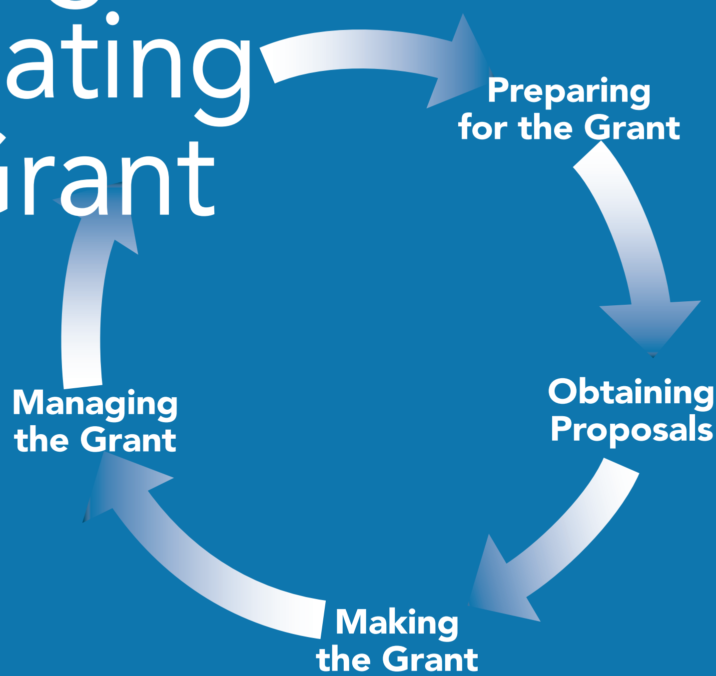
Decisions about whether, when, and how a grantmaker should intervene when a grant threatens to or has already gone off the rails are neither easy nor clear cut. It will vary tremendously depending on the organizational culture of the grantmaker and its own internal capacity to intervene. The size of the grant, its importance to the foundation's overall grantmaking strategy and any special obligation the grantmaker may have towards the grant recipient are other factors that will influence any decision about whether and how to intervene. Grantmakers should do everything they can, however, to minimize the potential for failed grants by the exercise of proper due diligence and learning to spot the warning signs for failing grants.

[32] William Ryan. *When Projects Flounder: Coming to the Rescue When Good Grants Go Astray.* Grantcraft, 2002, pp. 4-5.

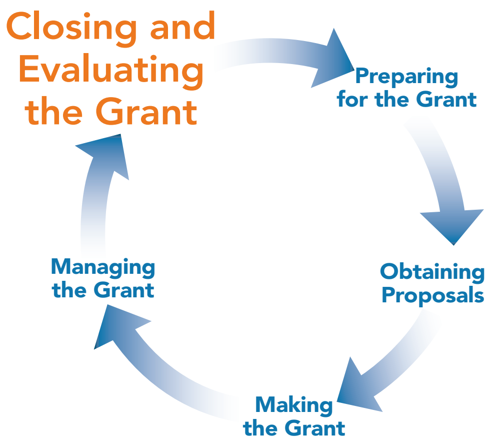
NOTES

STAGE 5

Closing and Evaluating the Grant



CLOSING AND EVALUATING THE GRANT



This section describes key steps in closing a grant effectively.

CHECKLIST
FOR CLOSING THE GRANT

- Effectively close the grant
- Plan your exit
- Evaluate and learn

5.1 Close the grant

The last stage in the grantmaking cycle can also be one of the most neglected from a practice perspective. A grantmaker can end a grant either predictably in a planned exit or suddenly in an unplanned response to something gone wrong. This section outlines the planned exit, and the good practice that supports it. But even the unplanned exit can be eased by some professional practices determined in advance.

> "An effective exit takes skill, planning and a dose of strategic foresight… done well, it can add value to a project and leave a grantee organization in a strong position."[33]

[33] Grantcraft. *The Effective Exit: Managing The End of a Funding Relationship*. 2007, p.1.

5.1.1 Plan your exit

It is awkward in many cases to discuss ending a grant just as you begin it. But exiting is normal and is as important to plan as the effort you put into assessing what you have learned. 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, and 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 the rare funder that makes a completely open-ended commitment. Indeed, many grants are made for a year at a time and then reviewed and possibly renewed. While multi-year grants can be made for capacity-building programs, or to achieve longer-term objectives, 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 is a good practice because it can open up the conversation about what the grantee can expect and 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. And for the grantmaker, thinking about how and when to end the grant puts a focus on the central question of grantmaking: "If we spend a given amount of money and time, what do we hope to leave behind?"[34]

Some foundations 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, instalment payments can be withheld until the submission of an interim or progress report from the grantee.[35]

As with reporting requirements, foundations should explain their hold-back policies to grantees as early as possible in the application process.

Grantcraft has provided an Effective Exit Checklist 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.

[34] Grantcraft. *The Effective Exit: Managing The End of a Funding Relationship*, 2007, p.3.

[35] The Counselling Foundation of Canada, 2011.

CHECKLIST
FOR THE EFFECTIVE EXIT

Here are some practices and strategies that help to ease a funder's exit:

- Clear objectives for the grant (reviewed throughout the life of the grant)
- The likely duration and total investment
- The field and how the grantee and its work fit into the field
- What other funders are involved in the field, and with the grantee
- The grantee's achievements (which may exceed the original expectations)
- The future of the funded work
- The time it actually takes

Additional strategies:

- Offer the grantee support to evaluate and communicate its achievements/results to other funders.
- Direct some resources to an intermediary that can offer to the grantee organizational development or capacity building such as fundraising if needed.
- If possible, take on some responsibility for building support for the organization among colleagues in other foundations.
- Encourage collaboration between the grantee and others in the field.

5.2 Evaluate and learn

When a grant is over, this is an opportunity for a foundation 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 assess the effectiveness of the work of grantees and also to assess the effectiveness of the foundation's grantmaking itself. Ultimately, the objective of evaluation should be to improve operational and program effectiveness through learning – whether of the charity receiving the grant, the foundation providing the funds or both.

The 2015 survey undertaken by the Counselling Foundation of Canada canvassed foundations about the practices they used to capture learnings at the sunset of a grant.[36] Respondents were asked if they had a process in place to summarize and provide Board members with the learnings from site visits, grant reports or grant sunset discussions. All ten foundations reported that they had a process in place but the methods used to capture and share learnings were as varied as the number of foundations responding. About half of the respondents indicated that they held a follow up meeting with recipients whether in person or by telephone. Many also reported, however, that they needed more effective approaches in informing either the Board or the foundation's future grantmaking.

The results of the 2015 survey highlight the fact that the field of evaluation and learning practice in philanthropy is still evolving. This subject is broad enough to merit a separate practice guide to do it justice. In the interim, there are many useful reflections and tips on evaluation and learning practices in philanthropy to be found on the PFC website in the Resources section.

[36] The Counselling Foundation of Canada, 2015.

A FINAL NOTE

Philanthropy and foundations will be playing an increasingly active role in shaping Canadian society over the next few years. Inevitably, this means that foundations will be subject to more public scrutiny of their impact and effectiveness. In particular, foundations will find their grantmaking practices in the spotlight. We believe that most foundations are looking for more information about good practice.

This guide has presented a variety of actual grantmaking examples, checklists, and tools as well as words of wisdom from experienced grantmakers that will assist foundations in their quest to improve.

While there is no single set of "best practices" that should be applied to every foundation, Canadian foundations can learn much from the practices of other foundations. The goal of this guide is to enable foundations in Canada to assess and benchmark their own grantmaking practices.

The more that a foundation adopts good grantmaking practice, the more likely it is to increase its impact. A deliberate effort to review, evaluate and adopt good practices, and to continuously improve them, will go far in making a foundation more accountable, more effective, and more successful in serving the Canadian community.

> "This is the last and most terrible truth of it all;
> philanthropy has no built-in systemic forces to
> motivate continuous improvement. ...
> If you do not demand excellence of yourself
> no one else will require it of you."[37]

As we look forward, we see the increasing importance of acting collaboratively for impact. While this guide has focused on the good practices of an individual grantmaker, in the future, a grantmaker's success and impact may well be dictated more by the excellence of its collaborative practices. We have noted in various parts of the grantmaking cycle where more funder collaboration can be valuable. No doubt we will be seeing many more examples of collaborative practice in the Canadian field in the next several years.

[37] Tierney and Fleishman. p. 5.

APPENDICES

APPENDIX A

CHOOSING A GRANTS MANAGEMENT SYSTEM

REQUIREMENTS GATHERING & USER STORIES	RIGHT-SIZED SOLUTION COMPARISON	IMPLEMENTATION & TESTING
Audit of process	Develope criteria	Procurement Technology
Develope digital documentation	Short list promising solutions	Functional design
Search for "shadow" systems	Demo "Try" before you "buy"	Deployment & customization
Interview staff	ROI calculations	Data clean-up & migration
Define "future state" success criteria	Facillitated decision-making: Features & Limitations	Training
Define digital strategy		

Source: GrantBook, www.grantbook.org

APPENDIX B

GRANTS CLASSIFICATION AND TRACKING SYSTEM

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

Target groups:

Who are your partners? Who will benefit?

- **Age group:**
  - Seniors
  - Youth
  - Children

- **Gender group:**
  - Women/girls
  - Men/boys
  - Transsexuals/Gay and lesbian

- **Population group:**
  - Families and parents
  - Low income people
  - People from particular cultural communities
  - People in the justice system/offenders
  - First nations/Inuit
  - People with disabilities

Geographic reach:	**Where are the funded organizations and how far does their work spread?** • Local communities • Rural or remote areas • Cities and towns • Province-wide • National • International
Structure supported:	**What type of organizations are funded?** • Art & cultural institutions • Community organization, institution • Educational institutions • Health institutions • Legal services • Sport & recreation facilities • Umbrella bodies
Processes funded:	**What type of work is being funded?** • Advocacy/public policy • Capital (bricks and mortar) • Direct service provision • Events & celebrations • Equipment • Media & technology • Operating and core costs • Research • Resource materials (eg. Books, videos, DVD, manuals) • Training/education
Size of grants:	**What size grants?** • Under $5,000 • Under $25,000 • More than $25,000 • Multi-year

Source: Adapted from *The Grantmaker's Toolkit : Some essentials on the grantmaking path for foundations trusts and private donors*. Philanthropy New Zealand. 2010, pp. 53-54.

APPENDIX C

REFERENCES AND RESOURCES

Need resources and tools about grantmaking? Visit the PFC Resource Library on our web site (www.pfc.ca). Here 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.

STAGE 1 PREPARING FOR THE GRANT: THE FRAMEWORK

Beggs, Sara. *Getting to Impact through Planning*, Exponent Philanthropy, 2011.
http://www.exponentphilanthropy.org/forms/store/ProductFormPublic/getting-to-impact-through-planning

BMO Retirement Institute Report. *What Will Future Inheritances Look Like?* July 2009.
http://www.bmo.com/pdf/mf/prospectus/en/09-429_Retirement_Institute_Report_E_ final.pdf

Bronfman, Charles and Solomon, Jeffrey. *The Art of Giving: Where the Soul Meets a Business Plan*, Jossey-Bass, October 2009.

Meachen, Vanessa. *An Introductory Guide to Grantmaking.* Melbourne: Philanthropy Australia, 2010.
http://www.philanthropy.org.au/pdfs/philaus/PA_An-Introductory- Guide-to-Grantmaking.pdf

Philanthropic Foundations Canada
Good Governance: A Guide for Canadian Foundations, 2014.
http://pfc.ca/pfc-publications/

Starting a Foundation: A Guide for Philanthropists, 3rd edition, 2015.
http://pfc.ca/pfc-publications/

Philanthropy New Zealand. *The Grantmaker's Toolkit : Some essentials on the grantmaking path for foundations, trusts and private donors.* Wellington, 2010.

The Case Foundation, *Promoting Innovation: Prizes, Challenges and Open Grantmaking*, 2010.
http://casefoundation.org/resource/promoting-innovation/

The Counselling Foundation of Canada. *Private Foundation Scan: Grants Process and Learnings Inquiry.* Toronto, 2011 and 2015 (unpublished).

Unwin, Julia. *The Grantmaking Tango: Issues for Funders.* London: The Baring Foundation, 2005.
http://www.jrf.org.uk/publications/grantmaking-tango-issues-funders

STAGE 2 OBTAINING PROPOSALS

Grantcraft
Scanning the Landscape 2.0, 2011
http://www.grantcraft.org/guides/scanning-the-landscape-2.0

Saying Yes/Saying No to Applicants, 2004
http://www.grantcraft.org/guides/saying-yes-saying-no-to-applicants

STAGE 3 MAKING THE GRANT

Brest, Paul. A Decade of Outcome-Oriented Philanthropy. *Stanford Social Innovation Review,* Spring 2012.
http://www.ssireview.org/articles/entry/a_decade_of_outcome_oriented_philanthropy

Grantmakers for Effective Organizations
Due Diligence Done Well: A Guide for Grantmakers. 2010.
http://www.geofunders.org/resource-library/all/record/a0660000005t657AAA

Letts, Christine. *Effective Foundation Boards: The Importance of Roles.* The Hauser Center for Nonprofit Organizations and the Kennedy School of Government: Harvard University, October 2005.
https://research.hks.harvard.edu/publications/getFile.aspx?Id=193

Tierney, Thomas J. and Joel L. Fleishman with Nan Stone. *Give $mart: Philanthropy that Gets Results*, New York, N.Y.: Public Affairs, 2011.
http://www.bridgespan.org/About/Media/Now-Available-A-New-Must-Read%E2%80%9D-Book,-GIVE-SMART-Ph.aspx#.VeclGSVVhHw

STAGE 4 MANAGING THE GRANT

Center for Effective Philanthropy
Listening to Grantees: What Nonprofits Value in their Foundation Funders. 2006.
http://www.issuelab.org/resource/listening_to_grantees_what_non_profits_value_in_their_foundation_funders

Phil Buchanan and Ellie Buteau. *Working Well with Grantees: A Guide for Foundation Program Staff,* 2013.
http://www.effectivephilanthropy.org/wp-content/uploads/2014/01/TheGuide.pdf

Grantbook. A Canadian consultancy firm specializing in digital strategies for grantmakers and impact investors to enable social change.
http://www.grantbook.org/

Grantcraft. *When Projects Flounder: Coming to the Rescue When Good Grants Go Astray*, 2002.
http://www.grantcraft.org/guides/when-projects-flounder

Grants Managers Network. *Right Sizing the Grant Making Process* (undated).
http://gmnetwork.org/wp-content/uploads/2014/07/RightSizing.pdf

STAGE 5 CLOSING AND EVALUATING THE GRANT

Grantmakers for Effective Organizations. *Four Essentials for Evaluation*, 2012.
http://docs.geofunders.org/?filename=2012_geo_evaluation_essentials.pdf

Grantcraft. *The Effective Exit: Managing the End of a Funding Relationship,* 2007.
http://www.grantcraft.org/guides/the-effective-exit

Canadian Foundations Featured in this Guide

FOUNDATION	WEBSITE
The ATKINSON Foundation, Toronto	http://www.atkinsonfoundation.ca/
The AZRIELI Foundation, Toronto	http://www.azrielifoundation.org/
Max BELL Foundation, Calgary	http://www.maxbell.org/
Fondation J. Armand BOMBARDIER, Montréal	http://www.fondationbombardier.ca/
BURNS Memorial Fund, Calgary	http://www.burnsfund.com/
The COUNSELLING Foundation of Canada, Toronto	http://www.counselling.net/
DONNER Canadian Foundation, Toronto	http://www.donnerfoundation.org/
The Lyle S. HALLMAN Foundation, Kitchener	http://www.lshallmanfdn.org/
LAIDLAW Foundation, Toronto	http://www.laidlawfdn.org/
The LAWSON Foundation, Toronto	http://www.lawson.ca/
MARTIN Aboriginal Education Initiative, Montréal	http://www.mai-iam.ca/
The J.W. McCONNELL Family Foundation, Montréal	http://mcconnellfoundation.ca/
The McLEAN Foundation, Toronto	http://www.mcleanfoundation.ca/
T.R. MEIGHEN Family Foundation, Toronto	http://www.meighen.ca/
The MUTTART Foundation, Edmonton	http://www.muttart.org/
The ROZSA Foundation, Calgary	http://www.rozsafoundation.org/
The SALAMANDER Foundation, Toronto	http://www.salamanderfoundation.org/
TRICO Charitable Foundation, Calgary	http://www.tricofoundation.ca/

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