



# Premiere Guide to Grantmaking Software



# WHAT'S INSIDE

Simplify the grantmaking process with software to become a more effective grantmaker.

- **An Evolving Grantmaking Landscape**
- **Grant Stakeholders and Changemakers**
- **Communication Between Grant Stakeholders and Changemaker**
- **The 'How' of Grantmaking, Enhanced with Software**
- **3 Trends Shaping Grant Management Software**

Every day, millions of Americans benefit from our citizens' commitment to charitable contribution.

**"We have all drank from wells we did not dig;  
We have been warmed by fires we did not build;  
We have sat in the shade of trees we did not plant;  
We are where we are because of what someone else did."**

-- author unknown

According to the National Center for Charitable Statistics (NCCS), there are more than 1.5 million nonprofit organizations in the U.S. To fulfill their missions to serve the public good these organizations distribute funds as grants.

The grant management process is challenging, especially in an era of dwindling resources and competing needs.

Implementing the right software solution benefits grantmaking organizations in multiple ways. Productivity gains complement institutional knowledge and extend charitable capacity. This guide will help you evaluate a software solution.

# An Evolving Grant Landscape

Grants are financial investments in outcomes that better society.

Grants address a wide range of initiatives.

Whether working to reverse problems (economic, social, or environmental), or working to improve quality of life (health, education, and arts), grants are truly changemaking.



## Who Awards Grants?

Grant monies originate from foundations and charities. What's the difference?

Foundations focus on strategic philanthropy. These financial gifts strengthen the non-profit's long term mission. These funds are vital for ongoing pursuits. Examples include fighting disease or cleaning our environment.

Charities focus on short-term philanthropy, providing urgent relief. For example, charities may distribute food as part of natural disaster relief efforts. Or, charities may donate supplies to families seeking refuge in a homeless shelter.

## Grant Expectations

Grants recipients meet specific requirements. Potential grantees go through a competitive evaluation process. Applicants must outline goals, activities, intended outcomes, and budgets.

Grantees are selected based on their need and/or capacity to enact change. Recipients are not expected to repay funds. Instead, grantees demonstrate good faith effort toward the grantmaker's mission through measurable deliverables.

# Evolving Grantmaking Landscape: What's Changing

Three broad shifts influence today's grant management.

## 1 - Timeline Expectations Speeding Up

Everyone in the grant process -- from funders to recipients -- expect timely access to information.

Applicants want rapid feedback on their applications. Reviewers appreciate participation on their timetable, not slowed to accommodate others. Funders expect quarterly data (or sooner!) on grant distributions.

## 2 - Free Tools Have Costs

Second, organizations acknowledge the administrative time required for grant management.

Digital tools can save time... but only if they are streamlined into one system. Juggling multiple "free" digital tools introduces points of failure and adds unnecessary complications.

## 3 - Data Reigns Supreme

Third, data. The more data that can be evaluated, the better. Data can tease out trends at the grantmaking level as well as the sector at large. This yields continued improvement.

All of these trends relate to technological shifts. These three reasons, and more, explain why grant managers use specialized software to manage the process efficiently.

# Communication Between Grant Stakeholders and Changemakers

Managing multiple stakeholders requires clear communication. The process must be organized. For efficiency it must be simplified. Here are the primary parties involved:

## Program Officer

- Liaison between a charitable foundation and the nonprofit community
- S/he guides nonprofits through the application process to receive funds
- The nonprofit will distribute these funds as grants to worthy applicants

## Evaluation Team

- Evaluates the effectiveness of a nonprofit's grantmaking process
- Confirms that the process meets organizational rules and goals
- Provides recommendations for adjustment or improvement

## Leadership Team

- Oversee the strategic goals of the organization
- Determine if strategy, structure, and processes are achieving goals
- Provide the public face for the grantmaking process

## Board of Directors

- Appointed by the nonprofit or the funding foundation
- Set the policies for grantmaking
- Ensure the grant pipeline is financially stable

## Grants Manager

- Plans and implements a grant program, from application to implementation
- Strategically important to their organization's operations
- Often the person with the heaviest workload required to coordinate efforts between parties

## Grantee

- Organization or individual who receives the grant funds
- Partner delivering solutions to improve life based on the grantor's mission
- Key relationship to promote an ongoing, changemaking process

## Key Takeaway

**All of these relationships are vital in the grantmaking world to affect change. Managing the process should streamline efforts, reduce stress, and build on successes. That's the job of grant management software.**

# Software and the 'How' of Grantmaking (Before Award):

Every organization is different; here are commonalities in the grantmaking process.

## Step 1: Concept & Solicitation

### ***Develop a solution thesis***

Discovering and identifying a need is the first step when conceptualizing a grant. Grantmakers use a combination of observation, research, and collaboration to identify problems and service gaps.

Grantmakers create a solution hypothesis. This solution funded by the grant will be measured for results. In this sense, grants can be viewed as low-stake experiments to solve specific problems. If successful, and if funds allow, the grants will be repeated to encourage additional beneficial outcomes.

### ***Solicit proposals***

The standard practice is that grantmakers publicize the grant and application process themselves. The specific approach may be directed formally by a Board of Directors or informally through personal contacts. Typically, the grant application is published on a website and promoted on social media.

## Step 2: Management and Award

### ***Manage the application process***

Grants managers coordinate applicants and decision-makers from submission to award. For competitive applications this may require multiple evaluation rounds over many months. Grant managers must provide detailed instructions to applicants about submitting budgets, narratives, and other support material. They must also coordinate many stakeholders evaluating the applicants.

### ***Award***

After grant recipients are named, funds are distributed. This represents the halfway mark of the process. More work needs to be done.

Grant managers must track deliverables associated with the grants. This entails careful organization of materials and coordination between many parties. Crucially, it also requires reporting progress to funders and other stakeholders.

This management step costs the grantmaking organization a tremendous amount of time. That's why software is so helpful.

# Software and the 'How' of Grantmaking (After Award):

## Step 3: Assessment & Evaluation

### ***Assessing results & informing strategies***

After grants are awarded the process can be evaluated. Did promotional efforts yield ample, quality applicants? How effective were the judges? What parts of process could be improved?

Efficacy is evaluated, too. How did the funded projects support the organization's mission? Was it effective? What "wins" will be shared and promoted?

By tracking data in one system organizations can compare year-over-year and start to see patterns. This informs strategy for future grantmaking.

### ***Organizational improvement***

Similarly, software with adequate permission flexibility -- allowing particular parties to access certain data -- can yield insight into resource management. What aspects of the project can be simplified or removed? These insights save money and time.

## Step 4: Promotion & Growth

### ***Communication & promotion***

Software makes it easier to track data. Use it to tease out necessary data, and tell compelling stories that inspire future work. Communicating these positive outcomes benefits the grantmaker and the mission they serve. Sharing statistics and reporting trends drives stronger program engagement.

### ***Enhancing a sector's collective knowledge***

Your organization's data can assist other funders, partners, and non-profits.

For example, imagine your organization gives grants to provide safer water and sanitation. Your grantees have implemented successful rainwater runoff mitigation projects. Your organization chooses to share project schematics, copyright free, because this distributes the ideas more quickly.

Your organization might go a step further and release other data, too. This is where software is beneficial. Your organization's projects may also inform grantmaking projects by other water-related organizations. Contributing to the broader mission sector means new approaches are discovered, speeding successful outcomes.

## 3 Trends Shaping Grant Management

*It is important to choose a grant management system that will scale with your organization.*

Earlier in this report we noted three trends impact grantmaking organizations.

These include:

- The expectation of timely access to information;
- The fallacy of “free” tools to address this expectation;
- The growing value of shared data when pursuing a mission.

With these trends in mind, software continues to evolve, too.

Software trends impacting grantmakers include:

- Cloud Technology
- Mobility
- Transparency

### Cloud Technology

Cloud technology reduces or eliminates two organizational burdens.

The first is maintenance. Cloud technology is backed up minute-to-minute, eliminating catastrophic failure losses. Cloud-stored data also circumvents the problem of managing data local. Local data management is typically across multiple, outdated formats.

The second is data protection. Grantmaking organizations routinely protect sensitive information. Storing data on the cloud is more secure and less costly than in-house technical security.

In addition to the “access anywhere” benefit, using cloud-based software means there is a dedicated security team built-in. (Learn more about cloud advantages in [Grantmaker’s Guide to Cloud-Based Software](#).)

### Greater Mobility

Mobile expectations -- and capabilities -- continue to flourish. This is a boon for grantmakers.

The best grant management software is built with mobility at its centerpiece. Access data, manage requests, and approve requests through one system, anywhere, using the phone you carry.



## More Transparency

Grant managers benefit most when they can evaluate data in, and share data from, one place.

Data transparency encourages greater accountability. Grant managers can use data transparency to manage the grantmaking process internally. For example, using grant management software it easy to identify gaps or lags when coordinating multiple stakeholders.

The grant reporting and promoting phases of grantmaking benefit from data transparency, too. As more grantmakers embrace the simultaneous trend of “open data” -- sharing results with peers and outsiders -- it makes sense to use software that can customize what data you share, and with whom.

Grantmaking software is more than a management tool; it is a way to uncover important data and build upon successes.

## In conclusion...

**Select grant management software that meets the expectations of stakeholders and has the capacity and flexibility for future needs.**



*We built OpenWater Grant Software to serve the people forging the path to a better tomorrow. Thank you for all you do!*



## Application and Review Software

Whether you're starting a submission and review process from the ground up or trying to accelerate growth for an established program, OpenWater can help you:

### Attract Applicants

Direct applicants to a website that retains your primary site's branding and is easy to use.



### Build Relationships

Make it easier for all parties to communicate before, during, and after the review process.



### Streamline the Process

Keep everyone engaged and on task through multiple rounds of review.



### Track and Report Results

Make it easier for all parties to communicate before, during, and after the review process.

[Request a Demo](#)

OpenWater software helps you and your team manage any **application and review process**.

We help you **attract new applicants, streamline the management process, build meaningful relationships, and report the results.**

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