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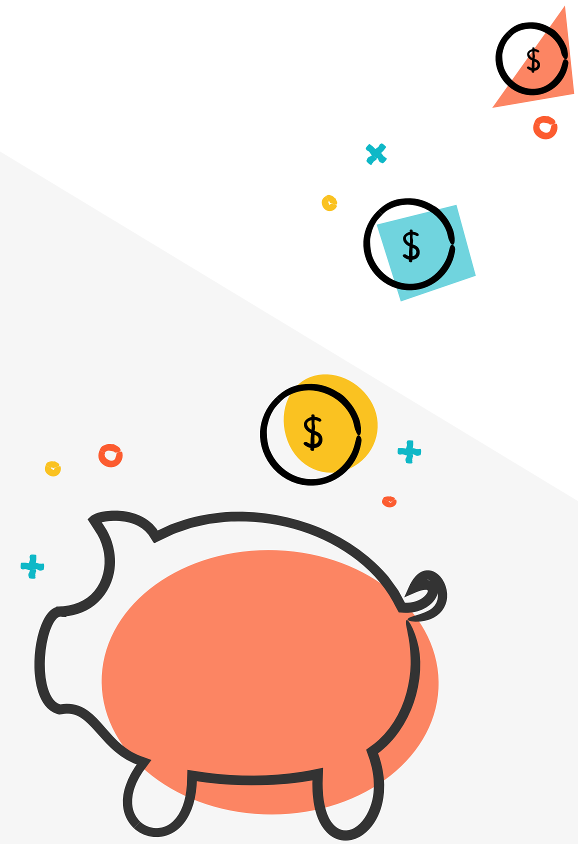
Grant Reporting:

10 Key Strategies for Supporting Your Mission and Serving Grantees



CONTENTS

INTRODUCTION: WHY GRANT REPORTING MATTERS

Grant reporting is the crossroads where impact meets investigation. Grant reports are an essential part of the grantmaking process. They are most often structured as written narratives that include detailed financial information regarding how an organization has utilized grant funding.

These reports serve important functions in the grantmaking cycle—ideally, each one:

- Offers data and stories about programmatic impacts
- Provides an accountability mechanism for grantmakers
- Documents grant-funded activities
- Encourages future funding

A well-designed grant reporting process can help grantmakers strengthen relationships with grantees, stakeholders, and the community. It can also positively influence the overall strategy that informs funding decisions. While grant reporting is an essential part of every grantmaking process, organizations make a variety of decisions in terms of how often it occurs, the format that it takes, and how they use the outcome.

GRANT REPORTING:
10 KEY STRATEGIES FOR SUPPORTING YOUR MISSION AND SERVING GRANTEES

PAPERWORK INSTEAD OF PROGRESS: CHALLENGES IN THE REPORTING PROCESS

In theory, grant reports offer insight that benefits everyone—in practice, grant reporting is regularly inefficient, labor-intensive, and poorly managed. Nonprofits across the country are in a year-round hustle to raise the money that will support their mission and programming. This means staff are spending long hours researching, writing, and reporting for grants so that they can secure and retain the funding to keep their projects running. Over time, reporting requirements have reversed the flow of giving; instead of foundations serving organizations, organizations now bear much of the paperwork burden to support the foundation.

On the flip side, foundations that offer grant money to nonprofits are finding themselves equally bogged down in reporting paperwork and less engaged in developing relationships with the nonprofits they support. With so much paperwork to wade through, mission-driven work can sometimes take the backseat. This isn't what nonprofits want and it's not what foundations want, either.

WHAT WE CAN LEARN FROM KEY REPORTING DATA

In 2008, Project Streamline surveyed grantmakers and grantees on reporting. The findings got to the heart of many of the issues with grants reporting:

1. **Thorough reporting was lacking.** Just 27% of funders said that they shared reporting information with peers in the field and very few of them followed up with grantees. In addition, 20% of grantees shared a desire to receive feedback on their grant reports.
2. **Paper was queen.** Most reports were delivered in hard copy format.
3. **Trust was lacking.** Grantseekers indicated that certain reporting timelines suggested grantmakers did not trust them to report their progress on specific grant objectives in a timely and efficient fashion.
4. **Requirements varied greatly.** From the number of reports and their format to the reporting timelines and overall requirements, grantseekers indicated that funder requests were all over the map.
5. **One size didn't fit all.** Grantseekers stressed that reporting requirements (as well as application processes) should be modified to fit different types of grants and organizations.

Although most of these concerns are still relevant, a survey of grantmakers from 2017 showed a few important shifts in practice. For one, grant reporting is moving online, with 64% of survey respondents reporting that they use an online system to collect and review reports. Still, this figure lags far behind the percentage of grantmakers using digital technology to receive applications as well as other sectors where hardcopy reports are a thing of the past.

The numbers show us that grantmakers are beginning to look at grant reporting as a strategic tool for decision making— 25% reported using grant reports to influence their overall giving strategy and the other 75% expressed a strong interest in doing so.

10 STEPS TOWARD A MORE EFFECTIVE AND EFFICIENT GRANT REPORTING PROCESS

While the basic elements of the data collected during grant reporting generally remain the same, technology and a more strategic focus on how grant reports can be leveraged offer opportunities for improving the practice for grantmakers and grantees alike.

The following ten suggestions, with insight gleaned from Project Streamline and industry best practices, focus on how grantmakers can assess and modernize their grant reporting.

1 Critically examine your current process

How do you know when your grant reporting process needs a tune-up? There are a few tell-tale signs to watch out for:

Bottlenecks and redundancies

When team members work across different organizational systems, the time employees spend on grant reporting increases and opportunities for error abound. Ensure responsibilities are clear and reports are standardized.

Non-compliance

Perform an audit of compliance requirements to assess how time-consuming it is for a typical organization to complete all reporting documentation. Avoid feeding the cycle of inequity in grantmaking by simplifying and streamlining reporting requirements across your grants.

A disorganized process

Make sure you've got a centralized, simple way for grantees to share grant reports with you instead of multiple froms. Since their work in communities is already hard, reporting on results should be relatively easy.

Inefficient grant management

More and more grantmakers are consolidating their grant management to improve efficiency. Don't ask your staff to juggle multiple funding requests across multiple systems or invent manual processes on their own.

Lack of communication and collaboration

Managing communication across a variety of stakeholders can be difficult, especially when big money and significant impact are on the line. A good system fosters collaboration by ensuring that lines of communication are open and that conversations inspire real outcomes.

2 Strategize improvements

Improving your grant reporting process requires dedication to a few key principles:

Focus on clarity

Successful grantmakers are clear with grantees about why they've awarded the grant.

Define terms

Smart grantmakers clarify what kind of relationship they hope to have with grantees.

Set and streamline expectations

Efficient grantmakers discuss what kinds of grant reporting they will ask of grantees and try to minimize what they require.

Communicate consistently

Effective grantmakers let grantseekers know when a report has been received and share a timeline for review.

Simplify requirements

Impactful grantmakers ask themselves three key questions before requesting information:

1. Do we really need this information?
2. Is there some other way we can get it?
3. Have we clearly communicated why we need it?

These questions can lead foundations towards important conversations about what they want to fund and why. Communicating priorities clearly and consistently to grant seekers will make the process better for both parties and will help foundations eliminate unnecessary or outdated requirements that get in the way of their philanthropic mission.

Additionally, these principles can help foundations make decisions about reabsorbing administrative tasks (rather than asking nonprofits to do the bulk of the legwork) and reprioritizing staff duties.

3 Forge better partnerships and real relationships

When foundation and nonprofit staff only know each other through emails and budget line items, it can be difficult to establish trust and a feeling of shared purpose. Plus, exhaustive reporting creates a power dynamic that stifles collaboration and innovation.

You know that boss you once had who micromanaged you? Don't be like that. Instead, get to know the people who work at the organizations you are funding. What keeps them invested in their work? What successes and challenges do they encounter? Phone calls and site visits can go a long way towards establishing the partnerships that facilitate better grant reporting.

Even the best narrative reports are no substitute for building relationships with grantees. Use grant reports as a starting point for developing deeper partnerships.

4 Be thoughtful about deadlines

Deadlines are stressful under even the best of circumstances. However, when foundations set reporting deadlines that fall before the completion of a project, this can create unneeded stress for everyone. Check in with grantees to see what reporting timeline makes sense to them. Communicate with your board and staff members to see what will best serve the foundation.

Better grant reporting requires ensuring deadlines make sense for all stakeholders—this will allow the process to go more smoothly and efficiently and will help eliminate inconveniently timed due dates.

If possible, reconfigure your calendar to allow for annual reporting rather than requiring multiple reports a year.

Multiple reports a year bog down both organizations and foundations. If a mid-point check-in is needed, be sure you are using the time to continue building relationships and ensuring that the organization has enough support.

5 Consolidate requirements

Foundations should consider establishing streamlined processes for the different types of grants they offer. For example, small grants should require significantly fewer reporting requirements, as opposed to large grants which might require much more information.

Whenever possible, avoid asking those completing reports to enter the same information multiple times. You might pull and synthesize information from the grant application itself into the reporting process. Storing application and reporting information for repeat grant seekers will also help both foundations and nonprofits work through the grant process more quickly and efficiently.

Better yet, consider consolidating reporting and renewal information. Rolling these requirements into one document or conversation will provide you with a comprehensive overview of the organizations projects, successes, and challenges which will offer insight into their future success.

Where possible, when nonprofits are able to use repositories for updating their annual tax status information, financial data, project goals, and reporting, this information can be used by foundations to streamline multiple process.

Having a wealth of information at their fingertips allows foundations to pare down their requirements and compare multiple nonprofits' projects and outcomes. Nonprofits also benefit from using repositories because it allows them to evaluate yearly progress, develop annual reports, and set new goals based on trends and patterns in their sector.

6 Explore new reporting formats

Written reports feel so official. They have heft. But how many people read grant reports? What information is shared from these weighty documents?

Like many foundations, you may discover the grant reports that organizations have spent dozens of hours writing are just gathering dust until the next board meeting. Is this the best way to get the information that will be most useful to you and to the organization you are supporting?

The Whitman Institute has eliminated narrative reports entirely. Instead, they engage in a minimum of two phone calls or site visits a year to have conversations with organization leaders and staff members.

These conversations can help you learn more about the projects and will strengthen relationships and collaborations. Be sure to draft some questions before you call or visit. Some examples of good questions to ask include:

- What went well?
- What challenges did you encounter?
- How can we better support your work?
- What did you learn that might be helpful to other nonprofits?

If it's essential to have a written report, you might save a transcript from your call or visit. Or consider customizing your reporting requirements and tailoring forms to particular organizations and projects. Customized reports will yield more useful information that generic forms might miss.

7 Consider outsourcing

Between grant writing and reporting, nonprofit employees can often find themselves squeezed for time to actually focus on the project they sought funding for. Because reporting requirements can be more extensive and labor-intensive than grant applications, foundations should consider paying for reporting.

This solution helps to keep grant money fully invested in the project, rather than diluted by additional administrative tasks. Third-party reporting can also help nonprofits see the scope and impact of their project's philanthropic mission from an outside perspective.

Most importantly, outsourcing reporting ensures that the grantor is serving the grantee—not vice versa. In some instances, it might make sense to have nonprofits do their own reporting, but these administrative tasks, like grant writing, should be accounted for in the funding that the nonprofit receives.

Using the NetGrant Calculator can reveal how much additional money will be needed for administrative tasks, on top of what is needed for the project.

8 Seek feedback

The best way to find out if something is working is to ask. Be sure to regularly check in with grantees about your reporting process. Ask them what is working and what isn't and ask for their suggestions about how you might improve the process.

Oftentimes, a suggestion that will make their life easier will improve yours, too. Most importantly, act on suggestions and work to improve your reporting system based on the feedback you receive.

Maximizing impact requires strong communication about what's working and what's not. This should be happening before, during, and after every grant is awarded.

Foundation staff may not know what challenges their applicants are wrestling with and asking is the easiest way to find out. Integrating nonprofits' feedback about the application and reporting processes will help foundations to continually refine and streamline so that nonprofits can turn their attention squarely on their missions. Distributing a quick survey among your grantees and staff is one way to highlight the difficult spots within your grant reporting process.

9 Foster communication and collaboration

Engaging stakeholders in two-way communication can help transform conversations into tangible action. Foundations should consider how better grant reporting benefits their own process and how it benefits the organizations they are serving.

The following questions, based on PEAK Grantmaking's recommendations for reviewing grant reporting, are adapted for collaborative discussion between foundations and organizations:

- Were grant dollars used as intended?
- Is there a record of the relationship between the grantee and grantor?
- What learning opportunities emerge from this grant for the foundation? For the nonprofit?
- Does this partnership make sense moving forward?
- What will best help the grantee succeed?
- Which stories are important to share?
- What knowledge from other projects can be applied to improve outcomes not just for this nonprofit, but for the projects in this field?
- How can we get better at what we do? What are the implications of our approach and strategy?
- How do our relationships fundamentally shift power and model new ways of working together?

Addressing these questions can help stakeholders work together to clarify goals, remove stumbling blocks, and engender creative solutions.

10 Focus on shared learning

While it's important for foundations to collect information about the projects they support and assess how their money is being spent, grant reports are not regularly set up to help the organization do its own learning. Grant reports get touted as a tool for organizational insight and reflection, but it's rare for all members of an organization to be involved in reporting.

Furthermore, lengthy foundation requirements are often focused on the kinds of questions only board members want to know the answers to. Find out what information will most help organizations to learn and develop. Asking the questions that are most important for their own trajectory and goals will help organizations improve.

Once you've revamped your grant reporting process, don't forget to share what you've learned. The insights that organizations have gleaned, along with your own observations during phone calls and site visits, will be valuable to many stakeholders and groups.

Tell your board members, the rest of the foundation staff, colleagues who work for other foundations, and organizations who work on similar projects. The community itself might want to know, too. In addition to sending around a written report, tell people informally what you've seen and learned. If possible, have someone from the organization come in to share or answer questions.

Keeping it informal will make the news spread more quickly. Best of all, sharing your successes and the valuable lessons you've learned is yet another way to continue to build relationships.

BRINGING IT ALL TOGETHER

Better grant reporting comes down to purpose and impact. Am improved reporting process an overall better grants process . Reports should add meaning and value for all of the parties involved in the grant—and beyond. Using reports as a tool for learning, collaborating, and connecting is the only way to make them a valuable part of the grant process. Think outside the box to find new ways to build relationships that fuel innovation.

Improving your grant reporting process may also mean investing in new methods and innovative approaches that enable both grantmakers and grantseekers to do their best work.

Moving to a modern submission platform like Submittable that allows you to consolidate grants management, centralize communication between stakeholders, and simplify key processes, is a major step towards transforming the grant reporting process for all parties.

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