



Why We All Need Good Grantmaking Guidelines

BY ELLEN FURNARI FROM LOTTIE NATH FUND IN THE ESSENTIALS

According to the latest Exponent Philanthropy membership poll, 57 percent of members have grant-making guidelines, which is good news. Hopefully, this will inspire the other 43 percent of you to write and use them, or perhaps tweak existing guidelines for better results.

Clear guidelines are the best way to get good funding proposals, and decrease the number of ineligible ones. The process of writing them is often extremely useful for the board to clarify the purpose of the foundation. The clearer a foundation can be about what it funds and what it does not fund, the easier and more fun grant making becomes. And remember, guidelines are just that — guidelines — not laws. Clear guidelines do not preclude funding something that doesn't fit. They are simply a way to communicate your funding goals with the broad public. In addition, good guidelines are just as important to help you manage the process internally as they are for explaining the process externally.

For foundations that have a clear description of their desired philanthropic outcomes and a strategy to achieve these goals, creating guidelines is a breeze. For those who don't, answering the following questions will help.

What are we currently funding and are there any patterns?

What are the desired outcomes of our philanthropy; what impact do we want to have?

What grants do we feel best about? What were our least successful grants?

What kinds of grants do we always deny? Which do we always fund?

It is also helpful to think of categories that define your grantmaking priorities. Categories can be region, issue areas or specific activities. For example: Will you fund capital campaigns? Will you fund planning and evaluation? Will you fund individuals? Give scholarships or other educational grants? Other critical information to consider is the size range of grants, and size of organizational budgets that you will fund. Finally, it is helpful to be clear whether you will fund multi-year grants or consider ongoing funding.

If the guidelines are not used with an annual report, they should state the foundation mission, if there is one. A very brief history of the foundation may be useful as well as some examples of past grants. Guidelines always should include deadlines. If the foundation requires a specific application format, it should be included as well. Many regional associations of grantmakers have a standard application format. Many nonprofits report that using this format is very helpful.

Write your grantmaking definitions in clear English. I have found it worthwhile to run a draft copy of new guidelines by someone who knows nothing about the foundation, to be sure it is clear to others.

Finally, guidelines do not need to be fancy. Often they fit on one double-sided page. They can be printed on foundation stationary, so that all contact information is clear. Using this method makes them easy to change as your grantmaking evolves.

Good guidelines include:

- Mission statement and brief history
- List of current Board members and staff
- Examples of recent grants
- Clear statement of what you do fund
- Clear statement of what you do not fund
- Application format, if applicable
- Information on size of grants and multi-year funding
- Information on grant review process and application deadlines.

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