



Community-Centric Grantmaking - Class 2

Process

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Estimated time to complete: 3 hours

Class Objectives

- Review the entire grantmaking cycle from start to finish.
- Establish analytical skills and tools to assess grant applications.
- Understand the principles of trust-based philanthropy and how to incorporate these into you community foundation’s grantmaking cycle and approach.
- Streamline your application forms and review process.
- Identify grantmaking programs to start, grow - scholarships, giving circles, emergency response/relief, etc.
- Discuss the opportunities and burdens of site visits.

Grantmaking Cycle

The first step in establishing an effective and purposeful process for making grants is understanding a typical grant cycle.

Module 1: Grantmaking Process - Strategy Development

Your mission, vision and values drive this process.

Landscape scans help to identify needs, causes, solutions, and gaps.

Strategy development includes:

- What
- Where
- Who
- Most importantly, how?

How will you impact the community?

AND

How will you run your grantmaking process?



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Unlike other parts of the grantmaking cycle, your strategy does not need to change every time. A solid strategy is grounded in understanding both your community's needs and your organization's purpose – its mission, vision, and values.

Step 1: Understand Your Community

Before you shape your strategy, make sure you have a clear understanding of your community. If you've completed the previous module on landscape scans, refer to your findings now.

Self-Reflection: What did the landscape scan reveal about unmet needs in your community? Are there specific populations, issues, or opportunities that stand out?

Step 2: Align with Your Organization's Purpose

Your strategy should clearly reflect your organization's mission, vision, and values. This alignment ensures that your grantmaking decisions remain focused and meaningful.

Action Activity:

Write down:

- Your organization's mission, vision, and values.
- A short statement connecting your purpose to what you intend to fund.

Step 3: Define Key Elements of Your Strategy

A strong strategy answers these four questions:

- What do we fund?
- Where do we fund (geographic scope)?
- Who do we impact and how?
- How are funding decisions made?

Step 4: Secure Board Approval

Once your strategy is developed, it's important to confirm alignment with your board. While your board should not be involved in day-to-day operations, they must support the overall direction.

Prompt:

- Schedule a discussion or presentation to walk your board through the key points of your strategy.
- Make sure they approve and understand their role in supporting, not managing, your foundation's work.



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Outreach & Data Collection Methods

Outreach Methods for Locating Potential Grantees

- Landscape Scan
- Asking other funders (funder collaboratives)
- Articles and news reports
- Meetings
- Stakeholder events

Data Collection Methods

- Online Application
 - Open
 - By invitation
 - Letter of Inquiry (LOI)
 - Nomination
 - Request for Proposals (RFPs)
 - Phone/video calls and meetings

Outreach is how you connect with potential grantees and gather the information needed to make strong funding decisions. This step builds on your earlier landscape scan work and extends your knowledge of the community.

Step 1: Identify Potential Grantees

During your landscape scan, you may have come across nonprofits that are already doing effective work in your community. These organizations are excellent candidates for funding consideration.

Action Activity:

Review your landscape scan notes and make a list of at least 5 nonprofits that align with your funding focus.

Step 2: Leverage Relationships and Collaboratives

You don't have to find nonprofits alone. Other funders are already doing this work and may be willing to share what they've learned. Funder collaboratives (like Grantmakers in Health) are a great way to learn alongside others and identify strong nonprofit partners.



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Self-Reflection: Are there any local or national funder collaboratives you could join? Are there peer funders in your region that could help you identify strong nonprofits?

Step 3: Expand Your Awareness

Here are more methods for discovering nonprofits that align with your mission:

- Read local news stories and opinion pieces
- Hold small-group or one-on-one meetings with nonprofit leaders
- Attend or host stakeholder events

Action Activity: Schedule at least one conversation or event attendance to build connections this month.

Step 4: Collect Nonprofit Profiles

Some community foundations invite nonprofits to submit a brief "profile page" summarizing their mission, goals, and current programs. This practice helps you:

- Inform your discretionary grantmaking
- Provide insight to DAF (Donor-Advised Fund) holders who rely on your knowledge

Step 5: Plan for Application & Data Collection

After outreach, you'll need a consistent way to collect and evaluate information from potential grantees. This includes deciding:

- What questions to ask on your application form
- What data will help you make a fair and informed decision
- How to balance qualitative and quantitative insights

Self-Reflection: What data do you currently collect during the application process? What additional information would help you make stronger decisions?



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Application Process

The IRS requires foundations to collect at least this data for each grant awarded:

- Name of organization
- EIN
- Charitable purpose of grant

However, many foundations ask questions in these general categories:

- Mission and history
- Annual operating budget
- Board members and governance
- Staff leadership, contacts
- Project budget
- Organization's greatest need

Project approach to solving an issue or need

- Project sustainability
- Project efficacy
- Evaluation and metrics

There are many ways to invite and collect funding requests from nonprofits. In this module, you'll learn about common application methods and evaluate which best fits your foundation's goals, capacity, and community relationships.

Module 2: Online Applications

Overview: This is one of the most common approaches today. Applications are submitted through an online portal and may be:

- Open access – Any nonprofit can apply
- Invitation-only – A password or code is required to access the application

Self-Reflection: Do you currently use an online application? What platform or system do you use (if any)? What are the advantages (e.g., consistency, data tracking)? What are the disadvantages (e.g., tech access barriers, form fatigue)?

Option 1: Letter of Inquiry (LOI) Process

In this two-step process:

1. Nonprofits submit a brief LOI outlining their request.
2. Funders review and invite full applications from select organizations.

This process reduces the burden on nonprofits and helps funders focus their time.



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Action Activity:

Consider creating an LOI form with the following fields:

- Organization name and mission
- Brief description of the project/program
- Requested amount
- Intended impact

Pros: Lowers burden on applicants

Cons: Adds a review step and more coordination time

Option 2: Nomination-Based Applications

In a nomination process, a third party (staff, board, community members, or partners) recommends organizations for funding consideration.

Key Design Questions:

- Who is eligible to nominate?
- Will nominees automatically be funded?
- Who fills out the application—nominator or nonprofit?

Self-Reflection: Could this approach help you reach smaller or lesser-known organizations? What risks or biases might come into play?

Option 3: Request for Proposals (RFP)

An RFP is a formal request for detailed proposals, usually for a specific issue or funding priority. It includes:

- Scope of the funding opportunity
- Submission requirements
- Timeline for application and review

Use this method when you need:

- Targeted responses
- Detailed proposals
- A clear process for comparing applications

Tip: An RFP template can help you stay consistent in how you communicate your funding priorities.

Option 4: Conversations and Grantseeker Forums

Some funders choose to meet directly with nonprofits — via phone calls, Zoom meetings, or in-person forums — to gather insights.



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Benefits:

- Builds trust and relationships
- Allows nonprofits to share needs in their own voice
- Reduces application barriers

Drawbacks:

- Time-intensive for funders
- Requires strong systems to track data (e.g., CRM, notes, follow-up tasks)

Case Example:

One foundation hosted a month-long grantseeker forum, where nonprofits presented their work and received feedback before submitting an application or LOI.

Module 3: Know What's Required

No matter which method you use, keep in mind that the IRS only requires:

- Name of the nonprofit
- EIN (Employer Identification Number)
- Purpose of the grant

You have flexibility in how much additional information you request.

Choosing Your Path

Which application method(s) feel most appropriate for your organization at this time?

Consider your team size, relationships in the community, data needs, and accessibility for nonprofits.

Checklist:

- Online application
- LOI + full application
- Nomination process
- RFP
- One-on-one meetings / forums

Next Step:

Outline or revise your grant application process using your chosen method(s). Include decision timelines and who will manage each part of the process.



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Module 4: Data Management – Getting Clean, Consistent Information

Data Intake & Hygiene

- Develop some guidelines for how to input your data. Consider developing Standard Operating Procedures (SOP) for data management.
- Utilize a software to collect the data.
- Ideally, having the same people input it all the time is ideal, but not always possible. Consistency is key, however!
- In order for it to be useful it needs to be updated regularly and documented or tagged in a consistent manner.
- Garbage in - Garbage Out! Incomplete or inaccurate data inputted into the system will create falsities that may impact your work.
- Check for duplicate records and combine them.
- Create intake forms that mimic your data collection processes.

Example: Your application form only takes telephone numbers with an area code and dashes.

"Garbage in, garbage out."

No matter how thoughtful your grantmaking strategy or application method is, poor data entry will limit your ability to make good decisions or report accurately. In this module, you'll learn how to build reliable, organized data practices that support your work.

Step 1: Set Data Entry Guidelines

Why it matters: Inconsistent or incomplete data makes it harder to understand trends, report impact, and coordinate with your team.

Action Activity:

Start by creating basic data entry guidelines for your team. These might include:

- Required fields for each record (e.g., organization name, EIN, contact, funding amount, tags)
- Standard naming conventions (e.g., full org name, consistent abbreviations)
- Specific tags or categories for tracking grant type, issue area, geography, etc.

Reflect:

- What fields do you currently collect?
- What data do you wish you had more consistently?



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Step 2: Use a Data System or CRM

Don't rely on spreadsheets alone.

Choose a software tool that can help you input, organize, and retrieve your grant data easily.

Tip: Make sure the system:

- Allows for custom fields or tags
- Can handle duplicate checking
- Has permission levels (if multiple people will be entering data)

Step 3: Prioritize Consistency

It's ideal to have the same person or team entering data, but that's not always possible. What's essential is that everyone follows the same process.

Action Activity:

Create a Data Entry Guide that includes screenshots or clear instructions on how to input new records, tag entries, and update information.

Bonus: Host a short training for your team or volunteers who may help with data input.

Step 4: Maintain and Clean Your Data

To keep your database useful:

- Update data regularly: set a monthly or quarterly reminder
- Check for duplicate records and merge them
- Use consistent tags and categories so you can filter and report accurately
- **Self-Reflection:** When was the last time you reviewed your database for duplicates or outdated entries? Do you have a schedule or staff role assigned to this?



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Step 5: Align Forms with Your System

Create intake forms (paper or digital) that mirror how your data is structured in your system. This could include:

- Application or LOI fields
- Meeting notes with prompts for tags
- Grantseeker forum intake templates

This reduces manual entry and ensures consistency across all your processes.

Final Step: Build Your Data Plan

Use the space below to outline a draft of your data entry and maintenance plan:

- Primary data platform:
- Who is responsible for entry:
- Update frequency:
- Tagging categories:
- Duplicate check process:
- Intake form types needed:

Due Diligence and Making the Case

Evaluating Grant Applications

Your assessment of applications may include a review of the:

- Organizational background (years of operation, etc.)
- Leadership (experience and influence)
- Financials (annual operating budget, project/program budget, cash flow analysis)
- Alignment of the grant purpose with the organization's mission
- Efficacy and effectiveness of the program/project
- Demonstrated need
- Communities served
- Sustainability of the program/project
- Other supporters of the grant purpose
- Anticipated outcomes (metrics and evaluation techniques that will be used)

Action Activity: Go online and research what other local foundations are using for their application. What questions are they asking?



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Module 5: Evaluation

Now that you've collected information through applications or other outreach methods, it's time to move into the decision-making phase of the grant cycle. This stage involves two closely connected steps:

1. Due Diligence – reviewing and assessing the information
2. Making the Case – preparing to recommend or justify a grant decision

Philanthropy Is Both an Art and a Science

The word “philanthropy” comes from Greek roots meaning “love of humanity.” That spirit should remain at the center of your grantmaking.

That said, **data matters too**. Effective grantmaking balances:

- Objective analysis – using facts, data, and clear criteria
- Empathy and openness – understanding that communities are experts in their own needs

Self-Reflection: What data do you use to make grant decisions? How do your values show up in those decisions?

Step 1: Approach with Curiosity, Not Assumptions

When reviewing applications or nonprofit materials, it’s easy to bring preconceived ideas about “what works” or “how things should be done.”

Reminder:

- Every nonprofit has a unique approach shaped by its community, resources, and experience.
- Learning is a core part of this stage—take time to understand before you evaluate.

Before reviewing an application, ask yourself:

“What do I need to learn to understand this organization’s work?”

Step 2: Conduct Due Diligence

Due diligence doesn’t mean looking for flaws — it means looking for alignment between your foundation’s strategy and the nonprofit’s goals, capacity, and community impact.



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Suggested Review Criteria:

- Mission and values alignment
- Program design and outcomes
- Community relationships
- Financial health and sustainability
- Legal compliance

Tool Tip: Create a **review rubric** or checklist to ensure consistent evaluations.

Step 3: Making the Case

Whether you're making a solo decision or preparing materials for a board or committee, this step is about clearly stating:

- Why the organization fits your strategy
- What you're recommending (amount, purpose, timing)
- How the decision supports your goals and values

Action Activity:

Draft a short "case for support" for one of your potential grantees. Include:

- Organization overview
- Program or request summary
- Strategic alignment
- Funding recommendation

Self-Reflection: How do you currently balance data and heart in your grantmaking decisions? What could you improve about your review process to be both more rigorous and more human-centered?

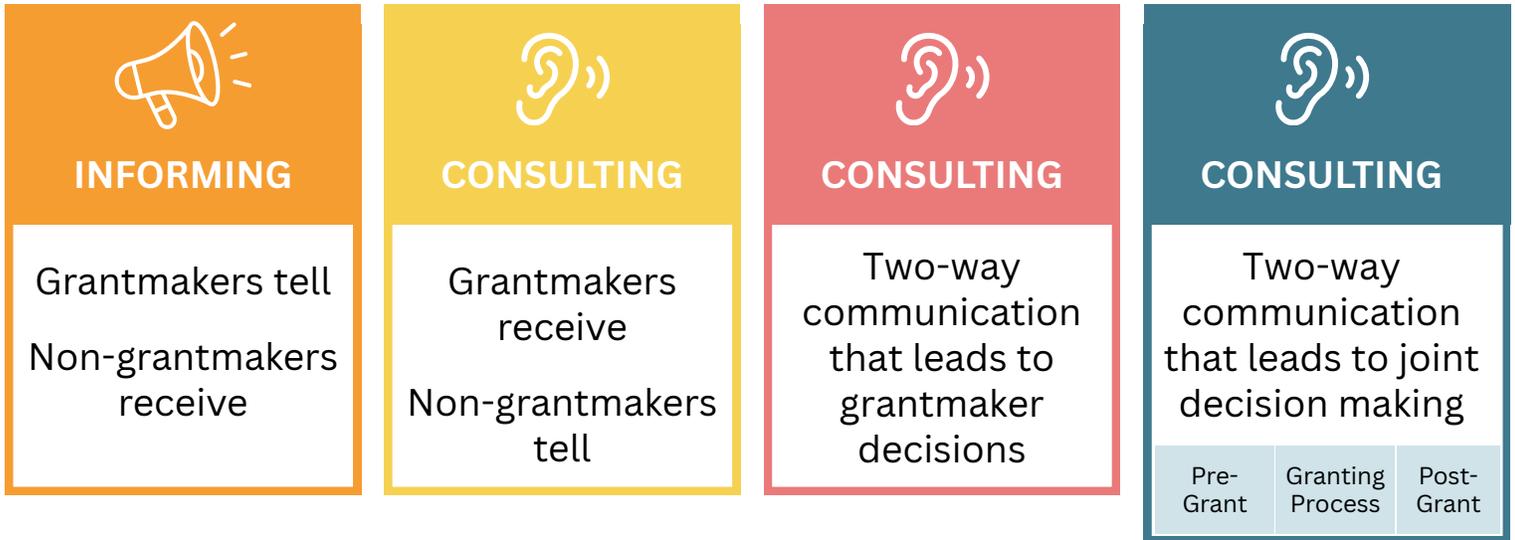


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Module 6: Participatory Grantmaking

Framework for Participation Grantmaking



In the previous module, we introduced participatory grantmaking — the idea of working with your community, not just for it. In this module, we explore how that can look in real life.

Moving Beyond One-Way Communication

Traditional grantmaking often follows a one-directional model:

- The funder defines what matters, asks for specific information, and makes a decision behind closed doors.
- This approach can miss out on valuable insight from those who are closest to the challenges — and the solutions.

Self-Reflection: Do your current processes invite meaningful input from grantseekers? Where in your grant cycle could communication become more two-way?

A More Collaborative Framework for Grantmaking

The goal here isn't to overhaul your entire process overnight. Instead, think of participation as a spectrum — ranging from simply informing applicants to actively sharing decision-making roles.



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Here's a basic progression:

1. Inform: Share your goals, timelines, and decisions clearly
2. Consult: Invite feedback on guidelines, forms, or review criteria
3. Involve: Ask partners to help shape funding priorities or outreach
4. Collaborate: Engage them in decision-making, such as grant review committees

Action Activity:

Mark where your current process falls on this spectrum. Then, choose one area where you could move a step forward.

Practical Ways to Involve the Community

Some community foundations have begun forming review committees that include:

- Local leaders and residents
- Grantees or former applicants
- Staff and board members

These committees can help review applications, offer insight into community needs, and reduce the weight of any one person's perspective.

Benefits include:

- A wider range of perspectives and experiences at the table
- Increased transparency and trust
- A stronger connection between funding and real-world impact

Tip: If you form a review committee, be clear about roles, expectations, and how input will shape the final decision.

Self-Reflection: What would it look like to treat your applicants as partners, not just recipients, in your grant process? Where might shared input improve the quality and impact of your funding?



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Module 7: Site Visits

Benefits and Burdens of Site Visits

Site visits offer funders an excellent opportunity to see and nonprofits to engage first-hand the important impact and work of established or prospective grantees.

Many people learn better through experiences than reading an application or joining a meeting.

Foundations may decide to incorporate a site visit as a part of the due diligence and discovery phase of their grant cycle. Or, foundations may decide to only conduct site visits after a grant is awarded to follow up to see the impact of their funding.

No matter when the site visit occurs, grantors must acknowledge the efforts that go into such a visit. Nonprofits should not be burdened by a visit from a funder or prospective funder.

Site visits provide a valuable opportunity for funders to connect directly with the nonprofits they support, gaining a deeper understanding of their work and impact.

Many people find that learning through experience by seeing a program in action or speaking with those involved can be more insightful than reviewing an application or attending a meeting.



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When to Conduct Site Visits

Foundations may choose to conduct site visits at different points in the grantmaking cycle:

- During the due diligence and discovery phase – to gather firsthand insights before making a funding decision.
- After a grant is awarded – to follow up and see how the funding is being used and what impact it is having.

Considerations for Site Visits

Regardless of the timing, it's important for funders to recognize the effort and resources involved in facilitating a site visit. Nonprofits should never feel burdened by such visits, whether they are from prospective or current funders.

Tip: Always approach site visits with respect for the nonprofit's time and work, aiming to make the experience mutually beneficial.

Guidelines for a Site Visit

- Contact the grantee to ask if a site visit is possible (some organizations may not be able to host due to protection of client, as in a domestic violence shelter, etc.)
- Ask the grantee if they would be open to hosting a site visit on a mutually convenient date and time, plan for at least 1.5 hours.
- When you arrive to the host organization, enter with gratitude and frame your visit as an opportunity to learn.
- Do not expect refreshments or gifts, but if offered, receive them with appreciation.
- Depending on the extent of the site visit, offer a small honorarium for the efforts of the nonprofit.
- Use the learnings from the site visit to evaluate the request or supported program — make notes in your database and share lessons with your fellow staff and board.



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Conclusion

As we've explored in this module, grantmaking is a dynamic and evolving process that requires a balance of strategy, data, and human connection. From developing a clear funding strategy to engaging with communities through participatory practices and trust-based approaches, every step of the cycle is an opportunity to strengthen relationships, learn, and drive meaningful impact.

By thoughtfully incorporating these principles – whether through data management, site visits, or collaborative decision-making – you can build a more transparent, effective, and responsive grantmaking process.

Remember, philanthropy is both a science and an art. By remaining open, curious, and engaged with your community, you'll not only make better funding decisions but also help foster long-term, positive change.