Modern *Grantmaking* Writes

Practical advice newsletter articles from 2023–2026

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moderngrantmaking.com

Welcome

Welcome to this curated collection from the Modern Grantmaking newsletter. Since we began publishing in 2023, we've written roughly one article a month that always tries to provide practical advice on some aspect of doing this most unusual of jobs.

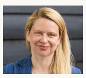
We decided to combine a selection of these articles into this new publication because they represent a library of dos and don'ts which we think are really useful, and which we took pride in writing. Grantmaking is a profession that isn't overflowing with written advice for grantmakers that is both practical and easy to read, and we felt that, put together, these articles represent a meaningful contribution.

We think you'll find useful tips here whether you're completely new to grantmaking, or whether you're a long time veteran. The whole thing complements our proper book Modern Grantmaking: A Guide for Funders Who Believe Better is Possible , which remains gratifyingly well reviewed on Amazon.

Rather than presenting these articles in the order that they were sent out we've organised them into eight themes that reflect various core elements of professional grantmaking: from the fundamentals as we see them to strategy to operational systems, from managing relationships with grantseekers to questions of governance and strategy. Each section can be read independently, allowing you to dip into whatever topic is most pressing for you right now.

We've also included an annex of bad grantmaking jokes. Yes, really. Each month we spend nearly as much time coming up with a bad grantmaking joke as we do writing the articles. These, too, are our legacy, and contain their own grains of truth.

Whether you're new to grantmaking or have decades of experience, we hope you find something useful here. And if you'd like to receive future articles directly, you can subscribe to the newsletter at moderngrantmaking.com .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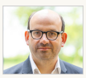
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PART 1

Grantseeker & Grantee Relations

How not to reject grant applicants

July 2025

We regretfully write to inform you that until there is more money in the world than there are grantseekers seeking it, your job as a grantmaker is going to involve a certain amount of saying 'no'. And by 'a certain amount' we mean 'a depressingly huge amount'.

Last year we wrote a newsletter that was about the importance of giving feedback when you reject a grant application. We even made the case that it may be worth fractionally reducing the total number of grants your organisation makes, if that's what it takes to give hundreds or even thousands of unsuccessful applicants a year some amount of meaningful information that they can use to plan their next steps.

Today we thought we'd supply some more rapid fire **DO's** and **DON'Ts** on the writing of rejections: the least favourite part of every grantmakers life.

DO say 'no' quickly

Every day or week you make an applicant wait for your message is a day or week that their life or their organisational plans might be on pause. Furthermore, the simple stress of waiting for important news definitely takes a toll on people: do you remember waiting for your exam results? Once you know that the verdict is a 'no', pass that information on as quickly as you can manage.

DO make it clear whether the unsuccessful

application was rejected because it didn't pass a critical criteria, quality or eligibility threshold, OR whether it was good enough but there just wasn't enough money to award all 'good enough' candidates. If an applicant didn't meet a specific criteria, tell them which and why.

DO share the names of other funders they might consider trying

This is especially important if you know of the existence of relevant funders that they simply might never have heard of. But don't give them the name of a funder you're pretty sure won't be interested: each name you provide might well consume large amounts of time as the grantseeker pursues that option.

DO put in place 'self-service' eligibility checkers

on your website or your funding application form so that applicants can discover that they will not be eligible before they've taken the time to write an application for you. These kinds of checkers have been shown to reduce the number of ineligible applications funders receive, and so they will reduce the number of rejection emails you have to send.

DO consider implementing two stage application processes

if you don't currently. This means you can get faster rejections to applicants who never really had a chance, and it means the applicants can do less up-front work.

DON'T give any impression that the matter is still open

through careless or vague wording. Make sure the applicant knows that the decision is final, for this round. If necessary, hand your draft to someone else and ask them "If you really squinted at this, could you read it as a 'maybe'?"

DON'T casually say things about the future

like "Better luck next time", because these can set accidental expectations in the minds of the applicant (i.e "There will be a next time"). You should be as clear as you can about whether or not the applicant is welcome to apply again in the near future or not. If the application was rejected on quality or eligibility grounds you should explain that they are likely to be unsuccessful again if they put in the same proposal again.

DON'T use your rejection as a way

of revealing that there were hidden selection criteria the applicants were not told about when they applied. We have in the very recent past seen rejections that declared “You didn't meet criteria X” when Criteria X had never previously been shared with the applicant. This makes your organisation look callous and incompetent in equal measure, and is definitely the sort of thing that will lead to funding applicants actively telling other people in their sector not to approach you.

DON'T decide that you just won't bother

to contact the failed applicant at all, blanking them for good, on the grounds that "they're not getting any money anyway". This is the height of cruelty because you might turn them into the grantseeking equivalent of the soldier who never hears the war is over.

DON'T tell the grantseeker that you don't

have any time to give them any feedback or information about why they weren't successful.

There's at least one foundation that puts a call-booking link into every rejection letter so you can arrange to speak directly to a grantmaker about the rejection. You might well be thinking "blimey, that would create a lot of work". And you're right, it would. But as funders we create a lot of work for other people simply by existing, by giving off the radiant glow of potential money. Sometimes valuing service as grantmakers just means accepting that funding institutions need to do more work in service of others than the minimum they can get away with. It's a tough argument - spending more time and more money on unsuccessful grantees - but if you ever want to take it up with your trustees, we can help give you some examples to share.

Always Mention the Money

September 2024

Tragically for our egos, most people want to talk to us as grantmakers because of our ability to supply them with cold, hard cash, not because of our brilliant ideas or our incredible good looks.

Now, speaking as two of the most deeply soulful people to ever work in professional grantmaking (ahem), this fact of life can be a real downer. We are all human, and we want people to love us for who we are, and not for the zeros in our institutional bank accounts.

That means that when people tell us that they want to talk to us about topics other than money, it can be tempting to believe that - at last - this is an opportunity to have a conversation that isn't about me being treated like a cash machine!

These kinds of 'not-about-money' conversations are often framed as having conspicuously non-pecuniary purposes. For example you might hear: 'Can I get some advice?' or 'We have some interesting new findings we wanted to share.' Not a dollar sign in sight.

Confronted by such offers of interesting chats it can be extremely tempting to go 'yes please!' especially if you've recently had a load of conversations with people who don't hesitate to treat you like a walking wallet.

But interpreting a 'not-about-money' conversation as not being about funding is normally a mistake. Moreover it's a mistake that's especially problematic for equity and fairness.

Why silence on money is an equity problem

That's because for many people asking another person directly for money is incredibly painful, embarrassing or even humiliating. This means that many people who are desperate to talk to us about money but will simply not feel able to raise it in conversation, or even to approach in the first place.

Now at this point some readers will be thinking 'Nonsense! people harass me for money ALL THE TIME'. But just consider - are you thinking deeply about the people who didn't ask? Or are they obscured behind the glare of the confident pitchers?

This really matters because self-confidence and entitlement - the ability to walk into a room and ask for a million dollars - is not distributed evenly within society. It's strongly correlated with all sorts of the demographic characteristics that make up our 'elites'.

Furthermore, there's another, completely different problem with Not Mentioning Money, which is that it isn't great service. Grantseekers will often agonise about whether mentioning or not mentioning money is the right strategy when approaching you, and will guess and triple-guess what they should do, wasting time and tying themselves up in stressful knots.

DON'T make them do that

Approaching a grantmaker should always be straightforward, friendly and clear, even if the answer is a rapid 'no, sorry'. As grantmakers we can't actually achieve anything without good grantseekers to take our money, and so we should treat them with the respect we give to anyone trying their best to do an important job.

Your job: raise it first

What this means is that as a grantmaker who cares about both service and equity, it's incumbent upon you to raise the topic of money in calls or meetings when it hasn't yet come up. It is your job to say 'You're probably wondering whether we might fund this…' or 'You should know that our approach to funding this sort of project is…'.

So practise being the person who always raises money in grantseeker meetings. If you keep forgetting, try writing it on the back of your hand. Or ask another grantmaker to sit in with you, to give you helpful feedback on your whole conversation afterwards (there's more on the value of doing this in Modern Grantmaking).

Ultimately, if you don't always make sure funding is mentioned in every grantseeker conversation, you will miss great new ideas and waste people's time. Don't miss out - be a Modern Grantmaker and always make sure the M word gets mentioned.

Do you really know what your partners think about you?

May 2023

One thing grantmakers consistently tell us is that they want to improve the funding experience for partners, grantseekers and grantees. But it can be difficult to know where to start if you don't know what your partners *truly think about you.*

There are two common conundrums we see often. In the first grantmakers simply don't have access to any kind of formal feedback from partners - there just isn't any data. In the second, a grantmaker does have feedback, but somewhat implausibly that feedback mostly rates you with a perfect 10.

We'll now go through each scenario in turn and share some tips on what you can do to get some good quality feedback that you can actually use.

Scenario 1 - We haven't asked

In this scenario, you're working for a funder that has maybe never collected proper feedback from grantees or grantseekers before. There's no anonymous surveys or interviews to draw on and your organisation doesn't have any reviews on GrantAdvisor UK . So, what do you do? Here's a couple of suggestions that are relatively quick and easy:

- Schedule, advertise and run a couple of **webinars for prospective grantseekers** which are specifically marketed as opportunities to ask you - the funder - questions. As the questions trickle in it will very rapidly become clear to you - the grantmaker - what it is that people don't understand or misunderstand about your grantmaking. Just make sure there's someone on the call to note down any confusion, so you can focus on being a good host.
- Ask grantseekers & grantees to fill in **anonymous feedback surveys.** What we mean here is set up and share an online survey form that asks only a few key feedback questions but very clearly promises that the feedback will be anonymous and so does not ask for anything like people's names or email addresses. These are often sent immediately after a grantseeker has completed an application form or as part of a funder's annual review process. Google Forms or Microsoft Forms are really easy to use and let you build such surveys quickly and easily. Even better, see if you can get a third-party organisation send the request for you, which might reassure partners that any honest feedback they give isn't somehow going to come back to bite them later.

Scenario 2 - Simply the best

In this scenario, you're working for a funder that gets **suspiciously fantastic feedback** . You work there and have an inkling that the application form is about fifty questions too long but grantseekers keep rating it as *better than sliced bread* . You're worried that unequal power dynamics are pushing partners to flatter you, insincerely. What do you do?

Here's three things to try, all of which will quickly reveal problems people may be too shy to share up front:

- **Find a few people who are willing to let you sit and observe them as they try to 'apply':** If your funder has an application form or template, or any guidance whatsoever for funders, then one of the simplest and most value-creating exercises you can do is to simply sit next to someone as the try to fill it in. Now it isn't ethical to do this for someone who is genuinely trying to get your organisation's funding right now. But what is reasonable is to find individuals who are similar to your applicants, and who you can persuade - and ideally pay - to go through the process of reading your guidance and trying to fill in an application.
- **Commission an individual or an agency to do an accessibility review:** If you are a non-disabled person you may well have no idea of the problems that badly designed web pages, forms, PDFs, emails or Word documents can cause for people with visual impairments and other conditions. There are now a large number of specialist nonprofits and companies that can check your services for accessibility, so that you can make sure you're not excluding people in this way.
- **Publish problems that are reported via anonymous feedback and say what you intend to do about them:** One way to convince people that they can tell you difficult truths is to show people that you aren't afraid of bad news. For inspiration here, check out the Foundation Practice Rating which cites The Buttle Trust and John Ellerman Foundation as funders that have worked like this.

Whatever you decide to try, it's worth bearing in mind one last thing. Getting feedback is one thing but making improvements based on it is another. Better grantseeker and grantee experiences won't happen if there's no time carved out people's diaries to review feedback and to agree what changes to make. That's why we recommend pre-scheduling regular service-quality conversations, either once a month (ambitious) or once a quarter (probably more realistic). In these meetings you can debate which changes to prioritise and assign specific improvements to people.

Furthermore, feedback won't help if you have colleagues or trustees who greet the presence of negative feedback as an unwelcome surprise. It can help to warm colleagues up in advance, including boards. Make the effort to remind people that more honest feedback will help you be able to improve what you do to serve your mission or strategy better.

PART 2

Grantmaking Fundamentals

2

The certainty conundrum

October 2025

Almost all grantmakers would like to know whether or not their work and decisions are making a positive difference in the world.

But there's a dilemma that faces grantmakers who really want to know for sure that their money is making a difference.

Consider two grants. The first is the only grant made to a laboratory developing a treatment for a disease. Eighteen months later, a new drug enters clinical trials; four years after that, it receives approval - it works! The line between cheque and cure is as clear as a line can be in this messy world of ours.

The second grant goes to an organisation that finds and develops young community leaders. They nurture talent, train people, network them, support their dreams.

How might we know whether this grant worked? The challenge of establishing proof of impact with this second grant is doubly difficult. First, it is hard to develop clear measurements for something like "successful community leadership" in the first place. And second, determining attribution is a nightmare. Let's say a specific community clearly improves on a range of measures, after this grant is made: unemployment down, happiness up. The measurement problem is that there might be a host of other explanations for why things got better. Maybe the local council improved. Maybe the economy grew. Maybe the decision to ban lead in petrol half a century ago made the difference.

The uncomfortable conclusion then is this: if you genuinely *need* to rigorously prove your impact—if your trustees demand it, if your donors insist upon it, if your own conscience requires it—then you must necessarily constrain yourself to a remarkably narrow band of human endeavour. Specifically those areas of charitable work which by chance or design happen to be quite provable in their impacts.

The provability problem

It is this narrowness that leads to the fascinating story of GiveWell . GiveWell is a " *nonprofit dedicated to finding outstanding giving opportunities and sharing the full details of our analysis with everyone for free* ". They basically tell people which charities they should give money to, to get lots of bang for their donated bucks. They also operate funding programmes themselves.

They are the epitome of a funder that cares about quality evidence. In their own words they *"Spend more than 70,000 hours each year reviewing academic evidence and researching different programs to identify highly cost-effective, evidence-backed ones* ". They have encouraged their donors to give their recommended charities over two billion US dollars. They're the real deal, and they really, really care about quality evidence of impact.

But… they only fully endorse FOUR nonprofits as good enough to donate to. This is their full list of recommended charities after researching and operating for *seventeen years* . Every one of these is clearly an absolutely fantastic organisation. And Givewell itself is a remarkable nonprofit with incredible skills.

But if you scan the whole list of recommended grantees you will very soon see that all four are healthcare charities. Which is because medicine is one of the few areas of charitable endeavour in which we have the really good tools to measure our impact with confidence. And even in this most fertile of charitable domains, the effort required to establish proof of impact is simply immense.

A spectrum, not a binary

Now, we are **not** sharing this story as an encouragement to our readers to abandon trying to measure your impact: Modern Grantmakers value evidence! And we are most definitely not sharing it to encourage a return to "grantmaking by vibes", which comes with so much baked in bias. Instead we want to persuade you of this key idea: grantmaking impact exists on a spectrum, from the provable to the purely faith-based. Every grant you ever make can be slotted in that spectrum, somewhere between highly provable and completely unknowable.

There are two consequences of this spectrum, one pragmatic, one moral.

First, pragmatics. Some grantmakers deliberately maintain a portfolio of grants spread across this spectrum, accepting that some grants are investments in certainty, while others are acts of hope. We think this is quite a nice way of showing that you do understand and respect how good evidence can create greater impact. But by investing across the spectrum, you also embrace the "cross-fingers-and-toes" attitude required to fund in some important areas like climate change, or changing hearts and minds in society at large.

The second consequence is humility. When so many grantmaking domains resist measurement with an almost deliberate perversity, humility becomes essential. All grantmakers need to be humble, willing to consider they might be wrong and others might be right. In hard-to-measure fields the best picture of what is going on mostly emerges in slivers and nuggets and brief flashes of insight that emerge from conversations with people working at the coalface. An arrogant funder won't make grantees comfortable enough to tell their stories, and won't know how to listen if they do.

Humility won't get you a standard of proof up there with a drug trial. But humility can give you access to the distributed knowledge held in the heads of many people who are directly working on the problems you care about. And that's a prize worth the price, to give you the best shot at supporting some of the most important issues in the world.

Sidenote - GiveWell has a webpage that lists its own mistakes . So never let anyone tell you that you have to choose between humility and caring about evidence.

Would you launch a Boring Fund?

December 2024

A few months ago an organisation called Wildlabs launched what might be the best named grantmaking programme ever, " The Boring Fund ".

Deploying funds from giant microchip company Arm, the purpose of the Boring Fund was to support "the essential but overlooked aspects of conservation technology".

Explaining their decision to run their cheekily named programme, Wildlabs laid out a problem that readers may recognise, "Our community has shared countless stories of struggling to find financial support for the indispensable parts of their work that don't fit into the flashy, attention-grabbing proposals that attract funders".

Why grantmaking gravitates to the new and shiny

We're grateful to Wildlabs for daring to name this issue, and for putting their grantmaking money on the table to prove that they really care about it. Because there is no doubt that grantmaking as a whole does often lean towards the new, the shiny, the glamorous.

Part of the reason we are broadly pro-unrestricted grantmaking is because upon receiving unrestricted funds, the first thing that many recipient organisations will do is use that money to pay for stuff that some funders might consider to be a bit boring: the rent, the replacement laptops, the wage bill, the rainy day fund. This revealed preference shows that this 'boring' money is often the type of money that a lot of nonprofits and universities value the most, whatever they may be induced to say by funding programmes which encourage celebration of the new.

Now, our endorsement of the Boring Fund might sound like we're appealing to you, our grantmaking readership, to take fewer risks with your grantmaking.

Boring funding enables bold risks

Quite the opposite. We are normally in favour of funders taking rather more risks than they do now. But - counterintuitively - you need to be willing to fund stuff some funders might consider 'dull' or 'uninnovative' to be good at taking certain types of worthwhile risks.

Consider any really serious effort to change the world. It might be a values based activism campaign like marriage equality or it might be a scientific attempt to find a vaccine for malaria .

By definition you don't know if such an initiative is going to work at all, and by definition you're going to have to spend a lot of money over a long period of time to find out if it can succeed. But this is exactly the sort of risks that funders should take, because history shows that funders sometimes do back the right horses , and the world moves forward.

But what sorts of funding do these long term, world changing initiatives need? Well… 'boring' funding, quite often. Really long term, relatively unrestricted funding that lets grantees pivot to opportunities without having to chase whatever funders think is cool this week. Funding that some people might consider boring, but we actually consider incredibly exciting, because it's the stuff that can really make a difference.

First, Do No Harm

November 2023

In lots of jobs the danger of accidentally harming innocent people is drilled into new recruits from the very start. Whether it's dentistry, driving a truck or building a house, lots of professions spend an awful lot of time both warning their people not to endanger other people, and then training them how to avoid doing so.

But what about grantmaking? Do you remember during your fevered first few weeks of intensive funder training how you were warned how easy it is for grantmakers to hurt the people and organisations they're trying to help? No? No memory of that?

Well, don't worry, because you're not alone. Few new grantmakers get taught this because underpinning too much funding is an unspoken assumption: “Free Money Couldn't Possibly Hurt Anyone!”

Now, if you were trained about the dangers of grantmaking at all it is much more likely that you were told how to avoid damage being inflicted upon *your own organisation,* perhaps by accidentally allowing fraudulent proposals to get funded, or perhaps by attracting the unwanted attention of - shudder - the Charity Commission.

Grantmakers absolutely can cause harm

However, and we can't really communicate this loud or clearly enough - **grantmakers absolutely, positively can cause harm** . We do not, by some convenient miracle, have the *only powerful job in the world* that is incapable of hurting other people. That's why our matching grantmaking tattoos say “First, Do No Harm”:

Three types of harm

Now, we know that most people reading this newsletter probably already know that grantmakers can make choices that will cause harm to other people. But we also think it's likely that you will occasionally meet people in your working lives who honestly believe that because we do grantmaking for good moral reasons, that we cannot therefore create any negative side-effects. If you do encounter someone like that, here's the top three types of harm you need to introduce them to:

1 - Wasting time. It is SO easy for a grantmaker to waste the precious and limited time of a grantseeker or a grantee - we can do this in many different ways. Most notorious is the waste that happens when funders run hopelessly oversubscribed open-funding processes. If you reject 999 grantseekers for every one grant you give it is entirely likely that your overall impact on the world will be a net negative. But there's *so many other* fun ways you can waste other people's time too! For example you can ask for a monitoring report you have no time to read: more common than most of us like to admit. Or you can run events that meet your needs, but not the needs of your grantees, so they sit there politely twiddling their thumbs.

2 - Knocking grantees off mission. Most good nonprofits have clear missions: they know what they're trying to achieve. As a grantmaker it's very easy to meet an impressive nonprofit team and think "Ooh I'd love to give these people money, so they can deliver what I think they should deliver". And now you've just taken an organisation that was set up to achieve one thing and you've twisted it towards doing something else - something it isn't as committed to, and that it may be much worse at doing. Bravo!

3 - Funding stuff that produces harmful side-effects. Sometimes when a nonprofit runs a programme, it not only doesn't produce the intended outcomes, but it can actually make things worse. Perhaps the most famous of all examples in grantmaking is 'Scared Straight', a programme focused on frightening teenagers into avoiding a life of crime. After becoming hugely fashionable due to a 1978 TV documentary , it was later shown to have "increase[d] delinquency relative to doing nothing at all to similar youths".

We are sure that our readers could tell us a dozen other types of harm that can result as side-effects of grantmaking practices and choices, but the main moral is this: call your local tattoo artist and get your own "First, Do No Harm" grantmaking tattoo booked in, pronto.

PART 3

Operational Excellence

3

The art and science of good grant operations

September 2025

Grant operations is a term that gets used to refer to two quite similar but different things. Sometimes it refers to funding organisation's systems and processes, especially those that actually get grants made. But it's also used to refer to 'human resources' otherwise known as people, specifically the people who directly run these processes and systems.

Most funders - whatever their focus or size - operate a grantmaking process that runs a bit like a conveyer belt. At the beginning of the conveyor belt you put incoming funding applications. As these move down the conveyor, they are normally assessed, and those that are approved are turned into grant contracts. After the contract is agreed, money gets sent to the applicants: but this is not actually the end of the conveyor belt. Instead the belt keeps on grinding - now rather slowly - until the grant is monitored and managed, and eventually finished. At the very end of the belt the original grant idea drops off into a box marked 'closed grants'.

Grant operations are all the things that need to happen to make this conveyor belt work smoothly. But just like a real factory, with a real conveyor belt, things won't work properly without the right people doing the right things along the way.

Design your operations to be in service of your mission

At the very highest level, your grant operations should be in alignment with your vision, mission and strategy. If you are a high-volume funder giving out many small grants per year, you will need different grantmaking processes to enable this compared to a funder giving out only a small number of relatively large grants per year.

Not only will you need differently appropriate and proportionate grantmaking processes, depending on your mission and strategy, you will need the right number of people with the right mix of skills and experience.

Put simply, if you are a medical research funder, you're probably going to need some grantmaking experts in that specific field to help you make informed grant decisions. And if you are a high-volume funder, you are not going to be able to provide a good grantmaking service (or any service at all) if you don't have enough staff and good monitoring data to keep track of the load.

A misalignment between a funder's mission and its grant operations tends to leak out in the form of various tell-tale problems. One obvious problem is a grantmaker with a turnaround time so slow that opportunities to make timely grants have long passed by the time it makes decisions. Another tell-tale can be a funder that 'talks the talk' about being trust-based but in the real world imposes strict requirements on grantees while being heavy on compliance and low on transparency.

Simplify and standardise

Even lean and sleek grants operations have an annoying habit of becoming slower and more burdensome as time progresses, particularly for grantseekers and grantees. This is a common pattern in our world and so you need to put in place measures to guard against it - even if you work in a small team.

Simplification could mean periodically reviewing your application form and asking yourself, “Are these questions all really essential?” Application processes tend to accrete new questions; scraping these barnacles off by paring back questions and forms can be a timesaving for both sides of the grantmaking relationship.

Standardisation, by contrast, can mean swapping out separate application forms for five funding programmes with just one carefully designed form that works for all. Or using standardised grant assessment systems which mean colleagues all score against clear criteria which don't have to be developed or re-written each time.

Use tech to save time

Nearly all funders now use some sort of digital technology to help them make and administer grants. Some funders use generic software, whilst others use systems that we call 'Grant Management Systems', or GMSes. There are some features found in quite a few GMSes that can definitely help keep your grant operations running more smoothly:

- Automatic reminders for your team about what needs doing next, and when.
- Automatically retrieving data about an applicant from approved databases, to speed up due diligence. In England and Wales, this would be the Charity Commission.
- Application forms which lead applicants through clear steps and validate the completeness of an application prior to submitting, reducing the back and forth between grantseekers and grantmakers
- An interface for reviewers to access and score applications without requiring them to juggle PDFs, scoring rubrics, and countless Excel spreadsheets.

You do need to be careful when choosing a GMS, though, because they can have values baked into them. So if - for example - you use a GMS that has been set to auto-request progress reports absurdly often from your grantees this can undermine your own mission and values, as well as causing a massive headache for grantees. Buyer beware.

Schedule and Invest in continuous improvement

One axiom of the grantmaking universe is that grants operations get worse as the years roll on. We *may* have mentioned this already.

But why? Usually, the more experience we get, the better we become at something. But grant processes and systems definitely rot and get worse if not carefully maintained. What's going on?

This issue isn't really about the capabilities of people in funders, per se. It's mainly about two other things...

- Over the passage of time, repeated requests for new features, rules and exceptions without understanding how any seemingly reasonable request, multiplied by 100, will eventually clog up the system and process unless someone takes ownership of the quality of the whole thing.
- The world is constantly changing. What worked well as grant operations five years ago, may not be so appropriate now. Funders don't always recognise this and so grant operations can become stagnant and suboptimal simply because they don't change all that much.

A lack of impetus here can be down to a sense of 'if it ain't broke, don't fix it'. Except, it may well be broken but you don't know because you haven't asked anyone or you're mysteriously getting 10/10 feedback scores from applicants or grantees. Hint - they're (understandably) lying to you.

To guard against these issues, funders should acknowledge that their grant operations will require ongoing improvement.

Continuous improvement is not something that can be done 'on top of the day job'. It is the day job, partly. People working for funders need to be supported here so that they can carve out time to research and analyse how operations can be made better. They also need time, and potentially specialist training, to enable them to test and implement related changes.

How to prevent curiosity from killing the grantmaking cat

June 2025

Once a grantmaking organisation has forked over some cash, it generally wants to know that 'something good' has happened as a result.

From this simple and eminently reasonable-sounding aspiration a world of pain, waste and confusion often ensues.

Now, within a short newsletter we cannot give you a complete, universal guide to impact research excellence (so sorry). The methods required to establish whether a grant given to a vaccine research project made 'something good' happen are completely different from those you need to deploy to learn whether an art project installing bells on seashores led to 'something good' happening.

However, there are a few common mistakes that crop up during the act of **monitoring** grants that make life painful for grantees across a wide range of sectors. We want to share these as an early Christmas present for you and your grantees.

Before we dive into how you can avoid these monitoring mistakes we just need to define one key term. By 'monitoring' here we are talking about funders asking grantees to report back on certain questions - often indicators - such as "How much money has been spent?" or "How many classes have you run?" plus more open ended questions like "Can we help you with anything?". Monitoring is mostly the business of collecting outputs, not outcomes. All clear? OK - here's the advice.

Monitoring mistakes

The first mistake is always asking your grantee to supply monitoring reports written bespoke for your funder, when you might be able to get all the information you need simply by reading an existing monitoring report that has been written for someone else. To avoid this potential duplication of effort, ask a grantee to send along a report or two they have done for another funder, or for their own board. With a bit of luck it will contain all or most of what you need anyway, and you can save your grantee the effort of writing you new stuff.

The second mistake is letting your list of monitoring questions get longer and longer, without ever taking time to prune the list back down. It's the easiest thing in the world for your list of standard grant monitoring questions to slowly expand as people inside your organisation go "Ooh, it would be great to know X". Each extra question takes additional time out of the lives of people within grantees, time spent filling in your paperwork instead of - you know - doing their jobs. Snip snip.

The third mistake is to ask for monitoring reports that do not lead to any actions or changes within your funding organisation. Think about it - the only reason your colleagues or trustees want to know anything about the result of making grants is so that they can make better choices in future. [Well, unless you're unlucky enough to work for a funder that actively doesn't want to learn. If this is the case, skip straight to our new jobs section below!]

But most funders monitor grants because they really *want* to do things better.

So ask yourself, and ask your colleagues and trustees "When are the last few times we did something new or different because of something contained within a monitoring report?" Once you've got some answers to this question down on a page, compare them to your current monitoring questions. Are there some monitoring questions that produce data that your organisation simply never acts on? Or are you actually getting far more monitoring reports into your inbox than you ever actually read? If so it might be time to reduce what you're asking for.

Mixing up yer outcomes with yer outputs

The fourth mistake is a bit more subtle. This is the mistake of asking grantees to demonstrate the outcomes of a grant in their monitoring reports. You can make this mistake by asking seemingly innocent questions like "What impacts has the grant had so far?" of "How have people benefited from the grant?"

Why does this count as a mistake? After all, these questions don't sound like unreasonable things to ask grantees. But at heart these types of questions are neither fair nor useful to ask.

Monitoring is ordinarily the business of gathering simple factual information grants like 'Did you buy that minibus?', 'Did you run 100 mentoring sessions?" or 'Did you spend the money we gave you?'. Sometimes it branches out into qualitative questions like "Have you faced any unexpected problems?", but not much further. Monitoring is fairly quick and easy to do, and gives us some basic info we need that tells us if things have gone really wrong or not.

However, most ordinary monitoring absolutely *cannot* tell you what the outcomes of a grant have been: for example whether a new minibus meaningfully improved the lives of people who sat it in. Most monitoring cannot tell you whether the grantee that spent your money is fundamentally impactful or not. And yet it is precisely these deeply meaningful outcome measures that we as funders really yearn for, to help us sleep soundly at night. So the temptation to add them to our list of monitoring questions is great.

The only way that you can find out the actual outcomes of a grant is by using suitable evaluation methods, ideally deployed by people who don't have a strong motive to report back an untrue or overly optimistic interpretation of what's going on. As mentioned above, these evaluation methods are totally different for different sectors, and they are almost always going to be different from the methods used in ordinary grant monitoring.

An inconvenient truth

Here we have run into one of those deeply uncomfortable facts that the grantmaking sector doesn't like to talk about much; while we may want to have awesome evidence on the outcomes of every grant we make, we almost certainly can't actually have it. Why not? Simply because it would just be too expensive and time-consuming to collect evidence of outcomes for most grants. The only funders who don't have to bow to this rule are a handful of giant funders that make massive grants in areas like science.

So asking grantees to tell you what outcomes they have delivered in a monitoring report is asking them to give you information they usually *don't actually have* . This is stressful and unfair for the people to whom you have posed these questions. And the answers you get back won't contain the meaningful outcomes evidence which you seek, which is bad for you too.

To wrap up, if you're now thinking "Crikey, guess I need to think a bit more about our monitoring approach" then super, our mission is accomplished. Here's a final suggestion to start the new year with: arrange a time in the diaries of a colleague or a trustee, and sit down with them and a copy of this newsletter. Run through these four mistakes and see how they relate to your current monitoring process. Bingo!

Two key questions every funder should consider before even thinking about getting a new grants management system

March 2024

Most funding organisations use some sort of digital system to help them keep track of grantees, grant applications, progress reports and so on. People use all sorts of different tech tools to manage their grants, from the ever popular 'Put it all in a spreadsheet' option, right through to bespoke technology systems that are built exactly to their needs. Whatever type of tech you use, the name for this sort of thing is a "Grants Management System", commonly known as a GMS.

Deciding on which GMS to use is a **big** choice for any funding organisation. Thankfully, there's a number of free high-quality resources available to help you make an informed choice between software products. For example there's Tech Impact's ' A Consumers Guide to Grants Management Systems ' which compares and reviews a number of possible GMS options.

However, before you even get to the stage of comparing different potential GMS options we believe there's at least two key questions every funder of every size and sector should debate and answer.

Question 1: How might the wrong GMS undermine your values?

Despite what the software vendors might say, your GMS isn't really best thought of as a humble tool. It's more like a powerful carthorse that you can either harness to do what you need, or which can run off in completely the wrong direction dragging your whole organisation with it. These days, it's often the system that your team will use for most key organisational tasks, including end-to-end grantmaking activities, plus the management of most of your key data and financial information. As a result, your organisation will become what your GMS allows it to be.

That is why it's so important for funders to agree, well in advance of choosing a GMS, **what values this system needs to help you to live up to** . For example, let's say you're a funder that really values trust-based grantmaking. You might then develop a list of requirements that are centered around things you value, such as:

- An ability to accept reporting in a wide range of non-standard formats, to avoid grantees having to waste time producing reports just to slot into your system.
- Not setting the default grant duration at some short length, such as 12 months (see page 5 of this guide).
- Having progress monitoring that doesn't treat a variation from the original plan like a problem or a deviation that needs documenting, critiquing and approving.

But let's say you work for a funder that for whatever reason doesn't really do trust-based grantmaking - you'll still have organisational values, and they can still be undermined by getting the wrong GMS, or getting the right GMS and setting it up wrong.

One value that's probably pretty much universal to funders is fairness. Here your GMS can be a help or a hindrance too. For example, you'll want to ensure that any GMS is accessible.

If your new GMS isn't accessible it simply means that some people won't be able to use it. This could be people working within your organisation or people trying to apply to you. We've come across too many examples of systems that don't meet accessibility standards, so we know this to be a real danger, not just a hypothetical one.

Question 2: How will you improve your GMS over time?

The most fatal mistake that funders make when getting a GMS is to assume that once it's 'all set up' then it's 'done', as if it is a new office dishwasher. It isn't. Not even close.

If your organisation is going to get continually better at what it does, you're going to need your GMS to get continually better too. This means you cannot fudge the question "How, exactly, is the GMS going to keep improving?"

Some large funders employ a team of people whose job it is to customise and improve software that the organisation uses, on an ongoing basis. This is an amazing way to be able to do things if you can, but most of our readers won't be in that lucky position.

Much more common is for funders to contract third party suppliers to maintain and make more complex changes to their chosen GMS, while the grantmakers make relatively easy changes themselves. This is a totally legit way of arranging things, but it's also where things can go wrong, and where GMSes can go stale and bake in all sorts of bad things.

You need to make sure upfront that your contract with your chosen supplier prices in and includes a good mechanism for continually making changes and improvements to the GMS. If this isn't considered at the time of initial procurement then you can find yourself in a situation where you may only have a very limited amount of time available for changes to be made by your supplier, or where each little change you want is really expensive and painful to arrange, like a contract negotiation of its own.

Furthermore, given that some of the changes to the system will be made directly by your colleagues, you need to make sure they are given a bit of time and space to learn how to modify the tool, not just use it. This will often require a bit of training to help them build confidence.

It's understandable, human nature even, to focus on **which** new GMS you're going to get, rather than how you're going to make improvements to it steadily over time. We encourage you to fight any instinct to postpone thoughts about the future, because it's highly likely that you'll be using your new GMS for years. If you don't or can't improve the way it works over time, it'll be bad for you and worse for your grantees.

That's why we suggest:

- Budgeting from the very start for improving your GMS on an ongoing basis, not just the procuring of it in the first place. This could mean developing skills internally and/or making sure that your contract with any third party supplier allows for appropriately quick and substantial changes.
- Ensuring that your governance processes will support ongoing improvement. If you're going to need board sign off for future GMS changes your system will rot, and fast. The world, and especially technology, moves too fast for that kind of old school decision-making.

What to do about demand

February 2025

Last month, Carol Mack, the CEO of the Association for Charitable Foundations, noted that "UK funders have seen a surge in demand for funds in recent years". This echoes a lot of private conversations we've had, where grantmakers have been sharing their worries about rising demand, and asking for advice about what to do.

In this article, we'd like to take the opportunity to encourage grantmakers to think about 'demand management' or 'application management' as something that funders actually do have agency in designing and responding to, and that your choices about these should - as with everything else you do as a funder - be in line with your mission and organisational values.

How the wrong type of response to high demand could conflict with your mission and values

Whether you are an invite-only funder, or one who uses open calls, we understand that managing applications is tricky. It's both an art and a science and sometimes feels like you need an in-house soothsayer on the books.

But often, approaches to coping with high demand are not designed in the same careful way that making a completely new programme is, and sometimes a funder's response to high demand can be at odds with what their organisation nominally stands for.

Below we list a few examples of how funders in the UK, US and EU have responded to increases in funding applications. By citing these examples, we don't mean to malign funders who have chosen to take similar steps. But we do point out how certain ways of managing demand can potentially clash with values that many funders theoretically hold dear.

Some funders have:

- *Salami-sliced grants*: This means awarding less money in a grant than the grantseeker originally asked for. This feels like an obvious way to spread the jam more thinly, but for any funder that promotes a trust-based approach, salami-slicing undermines the message that we trust grantees when they tell us what funding they need.
- *Operated a 'first come, first serve' approach*: This can mean only assessing, for example, the first 100 applicants that submitted a proposal, before closing the programme. While this is very common for, say, selling festival tickets, it has an unfortunate equity implication in grantmaking: some people are more able to hit 'apply' at exactly the right moment than others are.
- *Paused making grants for a period of time*: This period of time could be three or six months to possibly years, and it often accompanies a strategy refresh. However, of course, for any funder that decides to pause funding, there will be inevitable knock-on consequences for potential applicants, existing grantees and for other funders.

- *Tightened funding criteria or reduced eligibility*: This can be done by ceasing to fund work done under certain themes or geographies, or by changing policy on what kind of organisation can apply for funding. The downside of this is that it leaves whole sectors cut off, while others still get funded.

Some ideas from further afield

So these tried and trusted approaches to coping with high demand all come with unfortunate side-effects, especially for less secure recipient organisations. Is anything better available?

Grantmaking is not the only sector that has to manage high demand. While we have been critical in previous newsletters about blithely assuming that beliefs and practices from other industries are always relevant to grantmaking, we'd still like to share a couple of ideas from out there that we think deserve more attention than they get:

- **Ballots for application opportunities:** In situations where demand for something is going to be vastly more than availability, random ballots are often used to allocate that thing fairly. Some countries award visas like this, many universities allocate rooms this way, and Wimbledon has been disbursing tickets like this for decades. If you expect demand for a new funding programme to outstrip your capacity to assess, you could run a random ballot to give people the opportunity to apply. Those who don't get chosen in the ballot simply don't have to invest the time in proposal development. Those who do are given time to develop their idea and apply. Of course this doesn't solve all fairness problems: you need to consider how to market the ballot in an equitable way in the first place. Note: this kind of ballot is *not* the same as randomising grant decisions - here we're talking about randomising the chance of applying, not winning.
- **Outsourcing** : When demand outstrips an organisation's ability to supply, lots of organisation in other sectors outsource parts of the process. This can also happen in grantmaking but usually for reasons other than sheer demand volume. Some funders choose to work with Community Foundations, for example, if they wish to award funding in specific locations but don't have a local footprint. But perhaps it's time for some funders to also consider this kind of approach as another way to deal with demand. Your organisation may not have the capacity to process a certain number or type of grants but other funders may be in a (better) position to.

- **Partial spend down:** Some funders with an endowment have chosen to partially spend their endowment in order to make more funding available, but without spending down entirely. The Ford Foundation spent down 10% of its endowment to respond to a surge in demand when the Covid pandemic started. This is a way of managing more demand by providing more… supply!

How to question your approach to demand management

The world is changing and so the ways in which funders respond to things like demand also needs to flex. If you're experiencing or forecasting major increases in applications, your organisation probably needs to reconceptualise demand management not as a problem to be fixed within existing rigid constraints but as a new reality to which you need to adapt.

If any of this article resonates, we suggest that you work internally to ask and answer the following questions:

- If we have made any recent changes to help cope with demand, were these truly in line with our mission and values?
- Do we have the right operational model e.g. number of staff, sets of skills required to help us to deliver, based on this new reality?
- If we don't have the right operational model and need to reimagine it, can we bring in more help to enable us to do this work while we continue to award funding?

We get that any notion of increasing grant and/or operational spend in some funders is either impossible or simply anathema. But if now is not the time to menace some seemingly sacred cows, then we don't know when would be.

How to handle grant renewals fairly and efficiently

May 2025

Until the day that money starts growing on magical money trees, most grantseeking organisations will need ongoing grants to keep operating.

“But that's not true!” you may be thinking, remembering back to that grant you made in 1948 that helped cure polio . And, yes, you are right - there are certain goal-oriented grantees who can potentially achieve what they set out to do, before wrapping up, mission accomplished. But unfortunately, and basically because *The World Sucks* , there are a lot of grantees that work on problems that have no foreseeable end.

This means that as a grantmaker, no matter how long you do the job, you're always going to get messages from your grantees asking if there's any chance of getting more money. So, what should you do when this happens?

The primary answer is that you should refer to your funding organisation's **grant renewals policy** . Because you do have a written grant renewals policy.... *right* ?

Now at this point some of you will be thinking “Yes of course, I read it before going to sleep each night”, whereas others might be thinking “Ohhhh, do other funders have an actual, written renewals policy? Maybe we should get one of those.”

Whether you currently have one or not, here's some tips about what a good grant renewals policy looks like:

1 - Your renewals policy should contain a process that describes how and when requests for renewal will be handled. We sometimes say that normal grantmaking is like a conveyor belt - funding proposals go in one end, and money comes out the other - the challenge is getting all the stages along the conveyor belt working nicely. Grant renewals should be thought of the same way: funding organisations should have a process into which a request for renewal is dropped, and after assessing, a decision should be shared with the grantee. In other words, your policy should contain a description of a step-by-step *process* for handling renewals, it should not just be a set of assessment criteria, or 'things to look for'.

2 - Your renewals policy should tell you what to tell grantees about renewals, and when to tell them. It's easy to think of a policy on renewals as fundamentally an internal document, about how you and your colleagues handle renewal requests. But grantees really need to know how your process for deciding on renewals request is going to work. They need plenty of notice to help them with hiring or redundancy decisions, and to help them handle relationships with other funding organisations. A good renewals policy will tell you to contact grantees a minimum of 12 months before a grant expires to tell them what the deal is with renewals. Ideally you'd tell each grantee about your renewals policy on the same day you sign your original grant with them, but we know this is just a dream (we have odd dreams at Modern Grantmaking).

3 - Your renewals policy should be timed around your organisation's budget and strategy cycle. The wrong time to be attempting to make a decision about a grant renewal is at the moment in the year when you don't know how much money there is in the budget, and you don't know if the current strategy is about to change. The right time is the opposite - when you have a clear view of both money and strategic direction. This means that your renewals process should be written with your organisation's budgetary and strategy cycles in mind. If you're thinking "But my organisation doesn't have a predictable budget cycle!" then you now have a reason to make the case for establishing one (i.e to help you manage renewals requests clearly and fairly, as well as about a million other reasons).

4 - Your renewals policy should have scoring criteria that align with your organisational strategy, and your programme goals . By the time you are asked for a grant renewal, you might very well have become close to (and loyal to) your grantee. A personal bond is vital for high trust, relational grantmaking, but can also make it very hard to say 'no' to renewal requests from organisations which you know - deep down - perhaps no longer fit your organisation's funding strategy. By implementing a renewals scoring system that a) uses scoring criteria, b) uses multiple people to score and c) always scores and compares multiple renewal requests at the same time (for comparison of requests with each other), you can tackle these biases.

PART 4

Governance & Leadership

4

The dos and don't of appointing new funder board members

December 2025

Most grantmaking organisations have some sort of board. The people who sit on these boards have job titles that vary based on country and legal regime, but in English are most often called directors, trustees or simply board members.

Regardless of whether your funding organisation is run by a family, a government, a company or simply a random assortment of people, sooner or later your board will face the same question: how are we going to add someone new? This is a key moment where a funder can take a great leap forward, or where it can fall flat on its face. Here's some tips about getting it right.

DOs

First up, and before you discuss any potential candidates, make a fresh new Word document with these words, nice and big at the top: "The minimum skills and experiences we should have on our board".

Sadly the job isn't finished yet. Now you need to fill up this lovely blank document with a list of important skills and experiences that will help your funding organisation to succeed.

If you're very lucky your organisation will already have done a board skills mapping, and all you need to do is cut and paste. But most likely you'll need to compile this list of desirable skills and experience with your board members (and ideally staff team), either online or in person. And to be crystal clear here, this document should contain all the skills and experiences the board needs in its entirety, not the skills that each individual member needs to have.

Made your list? Great! Now, check to see if it's missing any key items. Here's three skills and experiences that we think will benefit virtually any funder board:

- Experience of applying for grants, and spending grant money
- Up-to-date practitioner knowledge of *a relevant sector* (i.e one in which the funder supports work)
- Knowledge of research, measurement and evaluation techniques *from a relevant sector (* ditto *).*

Now you've got the second version of the list - everything's going swimmingly!

Next, politely ask the current board members to share which skills and experiences they think they *personally* bring to the board. You could do this via an email, or in person. Again, if you're mega lucky, this will already exist on a shared drive somewhere. Once you've got the answers from the board members, compile these into one list, removing duplicate entries.

Finally, the good bit. Compare the list of current skills and experience on your board with the list of minimum skills and experiences the board should have. Pretty quickly you'll be able to see some really important skills or experiences that nobody on the board currently brings. Highlight these gaps, because they're the bones of your recruiting drive.

Now you are in a position to write a job advert, majoring on the gaps you just identified. You need to write a job advert because (so sorry) you should definitely try to advertise your role publicly if you want to get the strongest candidates. We are aware that this will almost certainly result in more administrative labour than if you just tap one person to do the job in private, but if you're giving away thousands or millions of pounds/dollars/euros, isn't it worth spending just a bit on making sure the whole operation is overseen by capable people? Wouldn't you want your grantees to advertise for key jobs?

We recommend publishing board member job adverts to give a broad range of people a shot at these important roles. Clear, welcoming job ads, circulated through intermediaries who specialise in getting opportunities in front of people who didn't traditionally have them will get you a broader pool of candidates, and ultimately a better board. It's more effort, but it's worth the effort.

Finally, you may end up having to interview candidates for board positions who have new skills or experiences that are quite different to those currently on the board (e.g expertise in measurement and evaluation). This is a risk moment for recruiting organisations, because if you don't have these skills yourselves, it can be hard to recognise if you're talking to an expert in a domain, or a very confident charlatan. We strongly recommend bringing in some guest interviewer skills to help avoid unfortunate outcomes.

DON'Ts

As well as providing handy tips about getting it right, we thought we'd also include a few warnings about avoiding some director recruitment beartraps. Here are the 'Don'ts'.

DON'T appoint people who want to join

a board primarily so they can pick and choose who gets to have money. Why not? Well, first, it's a bit power-crazed, and you won't enjoy spending time with them. But second it's a bad sign because unless the funder has literally zero paid employees, it is the staff team who will have the time to find and vet the strongest potential grantees, not the board.

DON'T fetishise business skills

The impressive skills someone acquired in their highly lucrative and successful banking/consulting/startup career might not be quite as transferable to all conceivable contexts as their MBA tutor claimed they were.

DON'T reward people with board positions just

because they're famous or because you'd like to get closer to them. This is a really important job that affects the welfare of countless people you've never met. It's not a prize for succeeding at life.

DON'T have more lawyers

accountants and finance experts on your board than you have people who have up-to-date knowledge of the fields that you are working in.

DON'T suggest joining a board to anyone

when attending anything that remotely looks like A Gala.

Boards vs CEOs in funders - who should be doing what?

April 2024

During our consulting and coaching for grantmaking organisations we often witness problems that stem from unclear or inadvisable divisions of roles and responsibilities between a funder's board, and its staff team, especially the CEO.

Given that we've now seen these issues manifest in some very different funders, we'd share some thoughts on what we think is probably a sensible balance of duties for each side of a grantmaker's board table.

Caveat Emptor - Every funder is, of course, different, so some of what you read below might not apply in your context, especially if you work for a funder with a tiny staff team, or no staff at all. Plus, this list is not an exhaustive set of duties: we've limited the contents to common causes of disagreements or problems.

The Board's roles and responsibilities

The **Board** of a funder should:

- Hire the best CEO they can.
- Support that CEO to succeed in every way they can.
- Be willing to replace the CEO if things go really badly.
- Sign off the organisation's strategy, having provided input and constructive challenge during its creation.
- Review that the CEO and teams' work is aligning with the strategy that the board has signed off.
- Regularly self-evaluate to ensure that the board's own decisions and its own conduct are in alignment with the organisation's strategy (boards can be very naughty in terms of demanding that others follow their strategy, while ignoring it themselves).
- Delegate lots of grant decision-making responsibilities and powers to the CEO and staff team. This means writing and approving clear policies like " *All proposals up to £x should be decided by the team or a specially convened panel* ". Boards should do this rather than hoarding all the decision-making power as a way of humbly acknowledging that full-time specialists with close exposure to grantseekers are generally likely to make better choices than part-timers (no matter how eminent) viewing potential partners from a considerable distance.
- Boards *should* help to decide on especially difficult, significant or risky grant decisions, when these are brought to it by the CEO or team.
- Agree the organisation's non-grantmaking budget, and then delegate the power to spend that to the CEO. The board shouldn't get into signing off for new laptops or packs of office biscuits.

The CEO and staff's responsibilities

The **CEO and staff** of a funder should:

- Be the primary authors of the organisation's strategy, while listening carefully to the ideas, aspirations and feedback of the board members.

- Use their delegated grant decision-making powers to make decisions in the best ways they can. This could include making decisions directly, running participatory grantmaking exercises, or convening other types of decision-making panel.
- Identify funding proposals that are appropriate to bring to the board for debate and approval, perhaps due to large size or high risk.
- Be responsible for operational decisions like staff composition and performance, office rental, equipment, training, use of consultants and so on, within the budget approved by the board.

No nos – the **Board** should:

- **Not** be the primary authors of the organisation's strategy. Developing a good strategy is simply too time and energy intensive for a part time board to do with any level of acceptable quality. Instead the board should task their CEO with creating a new strategy, and then they should contribute to it, review it and ultimately sign it off. But the board members shouldn't be holding the pen.
- **Not** insist on reviewing and approving every single grant proposal (unless they don't actually have anyone else to do this work because they're the board of a very small funder). This might disappoint some board members who thought that getting to say 'Yes' and 'No' to the exciting money decisions was the whole reason to volunteer. But the belief that deciding on grants is the key role of board members is based upon a fundamental misunderstanding of the function of a board in any organisation (not just a funder). A board is not there to do the critical work of an organisation - it is there to make sure that the CEO and the team are doing that work. This is the very essence of the word 'governance'; if you're doing all the key work yourselves then you're not governing anything meaningful. Governance work is difficult and time-consuming enough without having piles of proposals to review, too. Every minute a board is debating the qualities of a grantseeking organisation is a minute that it isn't helping the CEO and staff team to succeed. And it is also a minute where the board is not reviewing the CEO and staff team's work to make sure it's aligned with both your strategy, and the law. As a board member, that's your actual job.

Who wants to live forever?

February 2023

Unlike most of us, private philanthropic foundations can decide if they want to live forever, or die young and beautiful.

The reason that they can make such a choice (usually limited to divine beings) is that foundations often have endowments, a polite term deployed in our profession to refer to what other people would call 'enormous piles of money'.

If you have an endowment that is big enough, and well enough invested, then you can keep your foundation running and running until the heat death of the universe finally brings the profession of wealth management to a reluctant halt.

The reason that going-on-forever is even possible is because big piles of money, just like nascent stars and planets in a new-born solar system, gravitationally attract little clumps of further money towards them, causing them to grow bigger and bigger. These clumps are called 'dividends' or 'interest' or 'rents'. For simplicity we can just call them profits.

A foundation board that elects to give away these profits, while leaving the core endowment untouched, can, in effect, decide that their organisation will live forever. This choice is known as running a foundation ' **in perpetuity** '. Perpetuity is what Henry VIII chose when setting up his trust, which is why you can - in a manner of speaking - visit Henry's own website.

But this isn't the only way that a board can choose to run a foundation. The main alternative approach is to spend money at a rate that eventually sees the coffers drained and the bank balance hit zero. This model is called **'spend down** '. It's a model favoured by philanthropists like MacKenzie Scott who rather pithily said that she intends to "keep going until the safe is empty". Simple maths means that spend down foundations can obviously pay out much more money each year that they exist.

In our book, Modern Grantmaking , we observe that it is surprisingly common for foundations to adopt a model of existing in perpetuity without ever having much discussion about whether this is actually the right thing to do. It's a huge strategic decision and one that boards and execs should tackle head on, not ignore. Our hunch is that most boards think the right answer is obvious, when you only have to scratch the surface to find out it really isn't.

So how do you raise this potentially delicate topic with your board to make sure it gets discussed? And how do you encourage such a conversation without you looking like a greedy niece or nephew, hanging around their rich aunt's death bed while staring impatiently at their watch? Here's a few tips:

- Share stories of philanthropists and foundations that have chosen to adopt a spend-down model around your board, mixed in with other news and updates. Then, at an opportune moment, ask your board members to discuss what they think about **that choice.** It might be best to raise this informally over dinner or at any awayday, rather than in a regular busy board meeting.

- Work with your **board chair** to construct a very long-term calendar of major strategic board questions that should be tabled every few years. This should include "Should we exist in perpetuity?" but also other tough nuts like "Who should be on the board?" and "Is our mission still appropriate?". This can help the board address tricky issues on an automatic, clockwork basis, with no implicit criticism or hurt feelings.
- When you have an **organisational strategy review** , add the question of perpetuity vs spend-down alongside all the other questions that need discussing and agreeing, making it clear that this is just as much a strategic choice that merits discussion as is the more familiar question of which areas should be funded in future.

To Merge or Not to Merge - that is the question

July 2023

Recently, Britain's Lankelly Chase foundation announced its decision to "redistribute all its assets and close within a five year timeframe". This caused a certain amount of excitement and made for a rare appearance of foundation-sector news in the national press .

One thing we noted about Lankelly Chase's announcement was that they were quite deliberate in not describing their decision as 'spending down'.

Instead it looks like they're planning to do something more akin to breaking themselves into pieces, and then having those pieces merge with other organisations. They don't use the word merge directly but CEO Julian Corner talked publicly about "assets being held by different people in different places so the work can continue". Note the use of the word 'held' there, we imagine that ongoing endowments run by different organisations are part of the future plan. For example, Baobab Foundation will receive £8m , so when Lankelly Chase expires, Baobab will live on.

We think that all funders should periodically discuss the question of whether they should continue to exist as free-standing entities, or merge with other grantmaking organisations, or with operational charities. This is as true for government funders as it is for private foundations.

The reason it is important to have this conversation is that all good funders exist to fulfil their mission. But your mission might well be better fulfilled by merging your funding organisation with another that's aligned to similar ends.

Furthermore, mergers can create significant potential benefits for applicants. Two funders that may not be able to afford to run a high quality, accessible application process might find that, once merged, they can, which is great for grantseekers. And grantseekers looking for longer duration grants may find they are more readily available, after a merger of two smaller organisations.

If a funder doesn't ever discuss whether or not it should merge with another funder, then it is actively choosing not to discuss what might be the biggest decision it could make to increase impact. Modern grantmakers discuss this sort of big question even when it's uncomfortable for the individuals involved.

Which funders have merged?

- The Masonic Charitable Foundation was created from the product of a merger more recently in 2016. Here's the official story another the coverage from Civil Society .
- Lankelly Chase is itself the product of a merger of two foundations, about twenty years ago. There's some great, frank details about that in their history here.
- In the US, the super-huge Silicon Valley Community Foundation is the result of a merger, also in 2006.

Fun sidebar - the US-based Lodestar Foundation quietly bankrolls other nonprofits to merge. In fact they have an entire funding programme dedicated to helping other nonprofits to merge. For example they helped fund the merger between the Foundation Center and GuideStar into what is now Candid . If you've ever visited that very useful website, then you've benefited from that merger.

When is it the right time to talk about merging?

There are two moments where we believe that funding organisations should open up the question about whether they should continue to go it alone, or consider merging with another organisation.

First, they should do this at moments of major inflection - a new strategy, a new CEO or new Chair. These big moments are good times to pose big, tough strategic questions and this one should be on the list.

Second, we believe boards should schedule an examination of this question on a deliberate but regular basis, for example every 3-5 years. This question can sit in rotation alongside other major questions that should be re-examined from time-to-time, such as whether the board itself should change, whether the strategy is still valid, and whether the organisation should continue in perpetuity or not. Doing this on a formally-scheduled, slowly paced basis is part of what we at Modern Grantmaking now consider to be good board practice for funders.

How do you actually run a conversation on the possibility of merging?

This conversation could easily be fraught and it's possible that some people will be upset to even be asked to discuss it. It may, therefore, be worth considering the use of external facilitators to keep the conversation constructive. It also may well be worth producing a research report into what other organisations your own might actually merge with, first.

Any facilitator should consider covering the following questions:

- What people's emotions are telling them about even initially discussing the idea of a merger (it's important to get this out given the huge role this will play).
- What reasons exist both for considering a merger, or continuing independently.
- Whether there are any other funders who might make aligned partners, and if so who and why.
- What further questions would need researching before the board could make a definitive decision one way or another.

At the end, the board can then give the funder's executive leadership a mandate to do further investigations, or to wind up the process (until next time, in a few years).

PART 5

Flexible and Trust-based Practices

5

Why Trust based giving makes grants more successful

March 2025

Our article this month focuses on the story of Kansfonds , a grantmaking foundation based in the Netherlands. It is a translation of an interview published originally in Dutch in which Eline Crins, head of programs at the foundation, discusses why the foundation decided to make more unrestricted grants. For any subscribers who have also read our book, ' Modern Grantmaking ', you may remember that one of our grantmaking 'no-brainers' was that more funders should offer more unrestricted funding.

Why Kansfords went unrestricted

About 90 percent of all grants mainly support individual projects. For a long time, Kansfonds resembled many other funders in terms of awarding grants. Every year, hundreds of applications were received for projects. These were then compared with funding criteria for assessment. Until Kansfords developed a theory of change that helped to map the impact of its grants. *'It turned out that there were many project applications in our portfolio that came back every year. Especially drop-in centres for homeless people. In all kinds of ways, the drop-in centres tried to fit their daily work into a project application to cover their costs. For example, they submitted applications for cooking projects to provide their target group with meals. But it was clear that this was not how they really wanted to finance their basic offer.'*

These project applications from drop-in centres did not obviously fit in with the funder's typical assessment criteria. Kansfonds could therefore have decided to stop supporting drop-in centres. Yet that did not happen. On the contrary. *'It really wasn't an option. Their work fits in perfectly with our mission. Moreover, the need is high and finding money is not easy. A lot of funding is linked to achieving quick and measurable results, such as the number of people you get into work. But such funding does not fit in with drop-in centres. Their goal is to offer people in vulnerable situations a place where they are unconditionally welcome.'*

More meaningful and fun

Kansfonds made a key decision: it adjusted its grantmaking strategy. *'First we started to delve into the world of the drop-in centres. We discovered that behind the financial distress there are all kinds of other problems. Such as unstable boards. A decreasing number of volunteers. Increasing problems of visitors, which increases the pressure on drop-in centres even more.'* This led to the decision to fund the operating costs. But not only that. The fund also immediately set up a capacity-building program with the drop-in centres to work on the underlying problems. All this takes place under the name Franciscus Fund, to this day.

'What we see is that you help these organisations with peace and space. This allows them to do their work better, which in turn contributes to our mission. In addition, it also makes our work more meaningful and fun. The application and reporting pressure is a lot less, leaving you with more time. You can invest this in your relationship with the organisations. The great thing is: because trust is the basis, they dare to speak out more about what is going on, what is needed and what can be improved.'

Insufficient match

How is it possible that despite all these advantages, funders often still hold on to only funding projects? Crins: *'Giving grants to projects gives you a sense of control. It's just nice that you can say something about the output of a project. But that doesn't tell you anything about the underlying or longer-term difference you make. As a fund, you are working on major issues in society. These cannot always be captured in projects. So there is actually insufficient match between your larger goal and your grantmaking strategy. Moreover, with project funding, we unintentionally keep organisations small. Because they only receive money for activities aimed at their target group, they never get the peace and time to strengthen their organisation. For example, to strengthen their position or to train their employees. You hollow them out unintentionally, as it were.'*

Getting used to it

Crins understands that there are funders that are hesitant about philanthropy based on trust and offering unrestricted funding. After all, it requires a different way of thinking and acting. What about Kansfonds? *'Actually, there were hardly any obstacles. It took some getting used to for the grant assessors because they always assessed the projects according to a fixed format. Now something else was asked of them. But because we included them in thinking at an early stage, the support was great. It also turned out that we could not easily guide applications for unrestricted funding through our administrative system. We have simply solved this by putting a cross next to questions that do not apply. So your fund's existing information system does not have to be overhauled right away.'*

What are her tips for starting philanthropy based on trust? *'Look at any organisations that you have been supporting for a long time with project funding. Is that project funding still in line or is there a reason behind it that they keep coming back? Perhaps these are organisations with which you can try out multi-year, unrestricted funding. Because you already know them, it's also easier. Above all, talk to each other within your organisation. What is your mission as a funder, which organisations can contribute to this and which form of funding is really most suitable for them? Look for the match.'*

Doing the right thing

There is a growing awareness that something has to change in order for a foundation to make a long-term difference. Interest in philanthropy based on trust is therefore increasing, Crins notes. Research into this is now being done by the Center for Grantmaking Research of the Center for Philanthropy of the Vrije Universiteit, supported by the National Postcode Lottery. Crins is associated with this Center as a research fellow.

'There is already a lot to read about how to take the first steps. But you learn the most from each other. Foundations with endowments especially need each other to offer unrestricted funding for a longer period of time. You often can't do something like this alone, given the investment and the time span. In this way, foundations also help fulfill each other's mission and we constantly learn to do the right thing. From trust.'

Want to learn more? Contact Eline Crins via e.crins@kansfonds.nl

- Original article available here written by Cecile Vossen

Take no risks, make no impact

July 2024

Nobody, with the exception of the KLF , likes to set fire to money that could be used to help people in need, or to protect the world around us.

This means that both grantmakers and their board members often find themselves worrying about whether a grant is or isn't too risky.

Now, nobody enjoys feeling worried, whether about a risk or anything else. So as human beings we have a very strong instinct to reduce or eliminate risks, to rid ourselves of that unpleasant feeling in our stomachs.

But as grantmakers, this leads to some real problems.

You gotta take some risks

A funding organisation that takes literally zero risks is also an organisation that makes literally zero impact.

Everything in life has a risk attached to it, and the moment a funding organisation hands money to anyone there's a non-zero risk that that money won't be spent perfectly, and a non-zero chance it might be wasted or cause other problems like legal or reputational blowback.

“Fair enough”, you might say “but if we can't have zero risk, at least we can aim to minimise our risks, right?”

But this is also the wrong way of thinking about risks in grantmaking. While very low risk grants are absolutely worth making (there's plenty of impact in buying a meal for a hungry person) the biggest wins in the history of philanthropy and grantmaking have conspicuously involved making grants that had quite a high risk of failure. For example, grants made in the past to fund vaccine research or to campaign to give excluded people the vote were clearly high risk, but, in retrospect, they were also the definition of high impact grantmaking.

So unless your organisation has an explicit strategy which says "We aim for moderate impact" (and who has?) then your funding organisation needs to be making a certain amount of medium and even high risk grants, mixed in with the usual safer bets.

How your organisation can resist the temptation to always reject risky grants

We know that in the heat of the moment, when a panel of people are sitting around and assessing a grant, higher risk grants will pretty much always tend to be marked down compared with lower risk. This is partly due to scoring systems that treat risk as axiomatically undesirable, but a bigger driver is the all-too human desire to be thought of as smart and respectable. The most risk-averse person on a panel can also look like the most 'grown up' or 'professional' among their peers, and then can make other people feel afraid of being branded 'optimistic', a word loaded with undertones of lamentable amateurism. This can steer the whole group to go along with its most cautious member.

So what can you do to counteract this? We have three suggestions:

1 - You can give rough-and-ready risk scores to all the grants contained within your organisation's current grants portfolio, perhaps just marking everything as either 'high', 'medium' or 'low'. This allows you, with a certain amount of hand-waving, to count them up and share a 'risk profile' for your whole portfolio. 'Risk profile' sounds fancy, but all we mean is it gives you the ability to say “Almost all of our grants are low risk” or “About half of our grants are high risk”. Once you've determined this you can challenge your colleagues to agree what proportion of medium or high risk grants you should be making. 1%? 10%? 40%? If you can encourage a consensus among your colleagues or your board about this, then every assessment meeting can involve a quick check that the group hasn't erred on the side of "too little risk".

A quick aside: the practice of risk scoring a portfolio of investments to check for balance, is entirely normal in for-profit investing, but pretty uncommon in grantmaking institutions. Commercial investors use this method because they know that the tendency to invest exclusively in low risk assets will, over the long run, produce underperformance. This is a relatively rare situation where we think grantmaking really can learn something useful from the private sector, even if it does - we admit - occasionally go wrong and destroy the global economy .

2 - You can train your assessors so they learn to spot the connection between risk, biases and systemic inequalities. Your instinct might say that a 100 year old charity with a royal patron is relatively low risk, but is that right, or is that just the sum of several prejudices? And when you see that a new group set up by young people from a marginalised community doesn't have charitable status or three years of accounts, do you mark it down for elevated risk, or do you mark it up because - at last - there's an application from a community you've never funded before? Tackling these questions head on in training can help grantmakers to avoid the mistake of consistently marking applications down because they don't conform to some 'ideal grant norm' that probably needs to be questioned anyway.

3 - You personally can recommend that a grant be rejected for being too low risk. In many funders this will come as a shock to the people around you - often it will never have been tabled as a reason for rejection before. But by doing this you may be able to force an overdue conversation about whether your organisation is aiming at the right risk level, or simply the lowest risk level.

PART 6

Transparency & Communication

6

Six things to make sure you have on your funder's website

September 2023

Every grantmaking organisation that is *serious* about spending money effectively has a website.

This is true not just of funders that want people to apply through an open call for proposals, it's also true of invite-only funders whose donors want to maintain a very low personal profile.

Why is it so important to have a website? Three words: fairness, effectiveness and transparency. A funder without a website is basically a funder that's unfair on everyone in the world that isn't within the personal networks of the trustees or staff. And it's also a funder that will be choosing from a limited pool of collaborators and people to fund, lowering likely impact. That just doesn't cut it in 2023.

OK but what needs to go on our website?

The capital R ' *Right* ' way of building or improving your website is to go through a process of service design - grab our book plus Lou Downe's book right now to learn what this means in more detail. In a nutshell it means taking time and energy to listen carefully to what your users actually want, before you put what they want on your website.

But sometimes you don't have time for that. Some weeks you've just got an afternoon where you can whack something up that will be better than nothing. So what should you do?

To keep it simple: you should add content that *answers people's key questions.*

Below we suggest six key questions that anyone visiting your website should be able to get answers to, quickly and easily. These are questions that some of the people visiting your website today 100% for certain want answers to, right now. So why not run through these questions, while looking at your own organisation's website at the same time? For fun, grab a colleague and do it together. Can you find answers to the following six questions within a few seconds?

1. "Can I send you a funding application?"
Almost certainly the most frequent question that the average funder website needs to answer, but often very poorly answered, or not answered at all*. And remember, if your foundation is 'invite only' you should still have a page that outlines *how you proactively find organisations to fund* . Being transparent about your way of finding new grantees shows you're committed to fair funding, even if you have to limit volumes.

2. "What grants have you made in the past?"
When we were both working at the Lottery the web analytics showed that the list of past grants was the second most popular part of the site. Top Tip: don't build your own database of previous grants, just give your grants data to 360Giving and then link out for free to your funder page on GrantNav . It's better for you, and better for everyone else.

3. "What criteria will you apply to decide on new grants?" If you don't publish your grantmaking criteria, then prospective applicants will just have to guess what you might want, and they'll waste your time and theirs pitching irrelevant projects. So publish your criteria, consider adding an ' eligibility checker ' and don't hide unofficial criteria that are critically important to applicants but you're embarrassed to share, e,g *"We don't really fund anything very politically edgy".*

4. "How can I send you a message that will definitely get a reply?" Putting an info@ email address onto your site is all well and good, but try to tell your visitors what sort of messages you do and don't want (e.g 'Please don't submit full proposals'). Also try to make it clear whether most people can expect a reply or not, and if so how long it will take. Put that info right by the email address so that grantseekers know whether to bother sending you a message in the first place. Finally, if your organisation has taken an active choice *not* to publish the email addresses of staff and trustees (to limit load) have an internal conversation about what you can do to make *access to you more fair* for people who can't network their way to getting hold of your individual email addresses.

5. "What evidence do you have of the success or failure of grants made in the past?" There are lots of people who would like to know whether a specific grant you made in the past worked or not, and why. So, if you can, publish or link to any research that exists that others might be able to benefit from, and make sure it's easy to find.

6. "What are your goals, as a funder?" Probably the majority of all funders today have formal, written funding strategies. But they can be very coy about sharing those with people outside their castle walls. Don't be one of those funders. If you agree on a strategy, whack that up where everyone can find it. It's a gift for current grantees, prospective grantseekers, and - of course - other funders who want to know whether to collaborate with you.

Why do you actually exist?

March 2023

One of the most common things people want to know when looking at a funder from the outside is “Why does this organisation actually exist?”. And if an answer is forthcoming the next question is naturally “And what exactly does this organisation do to make that happen?"

These questions really matter. If I can't tell what your funding organisation is trying to do, or if I can't work out how you pursue that goal, then I won't know whether or not to spend time schmoozing you, asking questions, or applying for funding. I'm left without enough information to work out what I should do next.

This means one of the most basic duties of funding organisations is to **explain their mission and what they are doing to achieve that mission** as clearly as they can. And this duty is not just for funders with open application schemes either - invite-only funders really need to do this too.

Why do we call this a duty? Well, if you are a funder that can be found easily (i.e you're on the ACF 300 list) but you don't clearly explain why you exist or how you work, you will - guaranteed - cause untold pain and wasted time for people working and volunteering for good causes. Funders that do explain what they do allow grantseekers to make quick and efficient choices, saving precious time.

So, what should you do, then? Here's some handy Modern Grantmaking DOs and DON'Ts.

DO If you're a funder that primarily

exists to tackle a single problem, DO describe the problem that you aim to solve clearly, and then set out what you do to tackle it, ideally together on a single web page that's very easy to find. Big thumbs up to the Education Endowment Foundation team here.

DO Many funders work on multiple areas, not just one

In that case clearly explaining what you're trying to do in each individual problem area you work in is actually more important than a single overarching mission statement. We think the Hewlett Foundation does a great, really concise job here, and Esmée Fairbairn Foundation also gamely works to explain their numerous areas of focus all on one coherent page.

DO Use a modest amount of clear

precise language and good clear visual design to explain exactly how you are trying to create impact, in a way that will be really clear to grantees what sort of work you support. Learn from the Civic Power Fund, for example - simple, elegant and crystal clear.

DO Publish both short

summarised explanations about why your funder exists, but also publish your full, internal strategy in as much detail as you can. For example, learn from Mama Cash, who supply both the short and the long version of their strategy (and note - the long is super-readable, just more detailed). As a funder you will have different audiences, and they'll appreciate different levels of detail.

DO Invest in a clear, accessible website even
if you are not open to public funding applications. And what should go on it? Well, ideally you should actually ask your users what they need from you but as a solid starter for 10 this list from the Foundation Practice Rating is really good.

DO Publish good information on who you have already funded

and (of course) why you funded them. Few strategy documents are ever as revealing about why a funder really exists as a detailed list of 20 or 50 recent grants is. And, of course, if you're going to publish your grants, publish them via 360Giving.

DON'T Don't use lots of fancy high
falutin' language about your organisational thinking that doesn't actually explain how you're going to turn money into activities or assets. Read a primer on clear and inclusive language and then practice writing explanations like "We give money to charities to make X happen". If you have a dog or a cat, practice reading your explanations to them - if they fall asleep or wander away it's probably not crisp enough.

DON'T Publishing stuff online is so EXHAUSTING
Why not just... sod it and not bother to put anything up about what you do? After all there's virtually no chance you could waste the incredibly precious time of countless people in charities as they desperately flail around trying to decode the tea-leaves of your funding. That would never happen at an appalling, invisible opportunity cost for everyone except you. No siree.

DON'T Don't spend a lot of time

and money to develop an awesome written strategy that totally shapes what you do and then... don't publish it or let anyone else see it. After all, all healthy, long-lasting relationships are based on one side keeping a massive secret, right?

Tell people what you actually did

October 2023

Mortality dictates that every grantmaker must eventually stop making grants for a living. Normally the Grim Reaper isn't responsible for this cessation: more often grantmaking jobs end because of an exciting new job offer, the expiry of a fixed term contract, or because it's time to take retirement.

At the end of these shifts departing grantmakers often write emails or social media posts thanking people, expressing their gratitude for the opportunity to do an impactful and rewarding job. If you work in grantmaking you've probably read a few of these yourself, you may even have written some.

Sometimes people go beyond this. Sometimes our fellow grantmakers will write more deliberate analyses of what they've learned, whether doing grantmaking for 1 , 10 or 25 years working in grantmaking.

The gap in grantmaking writing

These writeups are terrific, but consciously or unconsciously their authors tend to write them in the form of a few 'lessons learned' rather than straightforward accounts of *what actually happened* when they were making grants. It seems that somewhere along the line it's been agreed that nobody wants to read a detailed account of what you actually did in your grantmaking job.

And that's what we would have said until we came across a recently published long-form grantmaking memoir/essay by US-based grantmaker Stuart Buck .

Stuart Buck's rare contribution

Buck was a science grantmaker at the philanthropic organisation that is now called Arnold Ventures . His essay covers in considerable detail all the major things he did during ten years of grantmaking for that institution. And, to put things plainly - it's kind of an amazing piece of writing for our sector. Among other rarely seen nuggets it contains:

- Accounts of the conversations and publications that **triggered the creation** of the programme he worked in in the first place. Notably he *names* the people involved in these conversations rather than using grantmaking's favourite word - the vague and royal 'we'.
- The story of his **first grant** in this domain and the mix of ideas and people that got it made.
- **The specific and detailed stories of a lot of grants** , including where the ideas came from, who had the ideas, how much money was given out and what happened.
- Specific information on the impact of individual grants, including both grants that were strikingly successful, and those that were not.

Perhaps most striking is a frank discussion of some grants **that just didn't work.**

Now we don't imagine that all our readers will enjoy everything in this essay - there's a bit of understandable self-promotion going on. Plus, science grantmaking practices do not always transfer well to other grantmaking fields, and can especially feel distant from social justice oriented grantmaking. But we think Stuart Buck has done grantmaking a service by showing that it is both *possible* and extremely *interesting* to write a detailed account of what an individual grantmaker actually did over extended periods.

Why it matters

Here's why we think this matters: there's a clear dearth of stories about what exactly happens in most grantmakers' jobs. This lack of stories is just one of the many factors that makes it hard to learn to be a good grantmaker, and makes grantmakers so prone to making mistakes that have been made before. The lack of career stories is just one of many different ways in which the grantmaking field is untransparent by default.

So this month's newsletter recommendation to our readers is both simple and difficult: we think all grantmakers should, at some point, have a go at writing down a narrative account of what has happened in their job, over time. You may never feel comfortable to publish or even privately share the resulting work, but the experience will be profoundly reflective. Plus, anything that you can share with others will be gold-dust to other grantmakers wondering how to do this strange job that comes with no instruction manual.

PART 7

Learning & Reflection

7

Zero to 75 Grants in Ten Days

October 2024

The Emergency Action Fund

In response to the wave of racist and Islamaphobic far-right violence that took place across Britain in August 2024, a pooled fund was rocketed into being in record time. It was called the Emergency Action Fund.

The Emergency Action Fund had numerous funders and partners, but it was hosted, administered and willed into existence by the Civic Power Fund (CPF). Their Director of Organising and interim Executive Director Mohammed Afridi kindly took the time to give us a bit of an inside picture about what happened.

We thought other grantmakers might be interested in what it takes to **spin-up a new pooled fund** and then make **75 grants** through it in **under ten days.**

Sharing credit is vitally important to CPF. This emergency fund was a huge team effort involving lots of different organisations, many of whom we name below. But we wanted to look at what happened through the eyes of one organisation because it is easier to learn from one funder's choices than it is from many at the same time.

As soon as the CPF team understood the threat that the rioters represented, they came up with a simple plan: give extremely fast £1000 grants to community organisations representing people who were actually or potentially under attack.

This £1000 sum, and the fact that it wasn't adjusted for different grantees, was deliberate and considered. CPF already had experience of giving grants of this size as 'wellbeing grants' - they knew this sum was meaningful for grassroots organisations, and generally was well used. And by deciding on a fixed grant size the entire process of negotiating over quantities of money could be completely circumnavigated, and could be replaced by the most critically important factor in a crisis, speed.

The CPF then reached out to its existing funders with a clear proposal: grant to the CPF today and we will work with our network of on the ground activists and movement partners to get the money where it is most needed tomorrow.

Because CPF already had deep, trusting relationships with larger funders like the Joseph Rowntree Foundation, the Legal Education Fund and the Paul Hamlyn Foundation, this request was met with positive responses. And because CPF had already received previous grants from these organisations, there were no due diligence hurdles to assessing whether CPF itself was an acceptable vehicle. This use of an intermediary allowed bigger funders to move faster than they ever could alone.

But to get the money out to the right organisations extremely fast required more than just a collaboration of funders. In order to know **who** should be given the grants, across the country, at speed, CPF needed to work with organisations that already knew and had built trust relationships with a very diverse group of organisations working with and for refugees, migrants and racialised communities. Happily CPF already had strong relationships with organisations that had the relevant knowledge of who was who and what was what: its own grantee partners, networks of movement activists and other intermediaries like the Funders for Race Equality Alliance, Justice Together Initiative, and Migration Exchange.

By working with these organisations CPF could delegate the trust issue - who to grant to. Thanks to this collaborative mentality and the trust placed in the CPF by their partners to get the job done and done well, the Emergency Action Fund has now distributed grants to 110 organisations across the UK.

The lessons you can take away

CPF were super keen to emphasise how important their partners were at every stage of the process, and that they absolutely could not have made these grants so fast without lots of support. But the crucial thing about those partners were that the relationships that allowed the CPF to move at speed were not forged in the hot moment of a crisis - CPF had been patiently building up strong, trusting relationships with both funding organisations and alliance organisations from within the sector since its launch just two years prior to the rioting. This investment of time is expensive and energy consuming, but there is no replacement for it if you want to be able to move fast in an emergency.

Second, CPF told us that “It was possible because our strategy made it possible”. At the moment of need and crisis CPF could look to their strategy and it told them what to do - find community organisers, trust them, help them, and fund them. The only major shift for the CPF was speed, their strategy is slow and based on long term investment but in a time of crisis their clarity on the who and the why meant that there was no time wasted agonising over "Is this the sort of thing we should be responding to?". We encourage readers to ponder on this - would your current funding strategy give you strong steer on how to act at a moment of crisis?

Third, CPF also told us it takes a huge amount of admin work to construct and run even the leanest grantmaking programme in a massive hurry, for example it is not easy to phone people for bank details when those same people are trying to manage chaos on their own streets. So the moral is this: say yes to every offer you get for extra hands on deck.

And finally, we were told that one key lesson is that “Martha's a F***** Legend”, referring to CPF's Executive Director Martha MacKenzie. You may not be directly able to copy this particular aspect of this emergency response, but we thought we'd just drop this in there for the record.

The illuminating perspectives of grant-makers turned grant-seekers

August 2024

It is not unusual for people who have done grant-seeking work in charities and nonprofits to end up as grant-makers in funding organisations. Moving from grant-seeking to grant-making is quite a common career trajectory, and one we think is very healthy. It's great when funders employ people who know what it is like to be a grant-seeker in the domains those organisations seek to support.

A rare career reversal

But it is far more rare and unusual for people who have done the job of giving out money to change into jobs which involve getting hold of money instead. Apart from anything else, grant-making jobs are often both more financially secure and better paid than jobs that involve fund-raising, so the temptation to stick on the grant-maker side of the table is huge.

But it does happen: some people do leave grant-making jobs and end up back on the other side of the funding table, asking for money instead of giving it out.

The most common motivation for such a career shift is normally that working for a funder just doesn't scratch the itch that some people feel to get really stuck deep into the detail of solving problems. Being a funder can sometimes feel a bit too far away from the real work of making the world a better place. And, of course, sometimes people leave funders because they can be frustrating places to work, and they just want a change of working environment.

Whatever the reason, a small number of ex-grantmakers do end up in roles that are partly or entirely about grant-seeking. And these people have fascinating perspectives because they sometimes come to realise what they could or should have done differently when they were giving out the money.

So this week we thought we'd share a few learnings supplied to us by five grant-makers turned grant-seekers working in the UK and the US. We're quoting these anonymously, so a big huge thanks to the contributors - we are super grateful for your reflections.

So, what did they say?

In their own words

“I wish we had been encouraged to get to know our grantees, form long-term relationships with them, and place earned trust in them -- and then get out of the way.“

“Don't think you're any busier than practitioners in the field. Funders need to answer their emails promptly and respectfully, even if it's just an acknowledgement or a no!”

“I wish I had stood up to senior leadership more on behalf of grantees, they really didn't understand the pressures of charities and had a very 'if they want the money they will do what we want' and this was a damaging way of thinking for the sector, forcing a power dynamic that results in a lack of trust and truthful feedback.”

“Looking back, I see obvious areas which clearly deserve more philanthropic funding and attention. It's maddening that philanthropy is MIA when it comes to public interest media which is central to survival of democracy. It's also puzzling that individual campaigners are underfunded given their ability to shape conversations and drive change.”

“I wish I had not been captured by the navel-gazing internal logic of the philanthropic organization I worked for, and had -- instead of trying to meet the implicit goals prioritized in that environment -- just focused on doing anything I could to support grantees and get them as much money as possible as quickly as possible.”

“I wish I didn't get sucked into using the grantmaker jargon when working for a funder, it's easy to play inside baseball but talk like a real human.”

“I also wish that the narrative (pervasive at the philanthropic organisation I worked at) that the program officers were very much protagonists and critical actors had been more actively challenged.”

“I wish I'd had more insight into how university bureaucracy and nonprofit work, especially for action-oriented research, interact. The bureaucratic directives of universities have a pretty large effect on the kinds of projects and people that can do their best from a university placement, and I wish I'd had some insights earlier to try to make those work better.”

“Talk to other funders about potential changes in strategy, before you make them. There is so little coordination on strategic vision and planning between grant-making institutions (whereas coordination happens quite frequently and often effectively on implementation).“

“General operating support is great and in most cases should be considered the gold standard. But funders can do more to support both organizational sustainability and safety. For example, organizational leaders are often reluctant to spend valuable funding on their own development as leaders, yet that development is critical for organizational success, as so many leaders burn out or fail to manage growing organizations”

“I wish I had had the confidence to push for more field-building money to convene grantees and support them in a non-programmatic-funding way.”

My biggest grantmaking mistake - what's yours?

April 2023

Our opening essay is normally jointly authored by Tom and Gemma. But this time Tom is writing something more personal.

In the Before Times

Back in 2018 I was working as the Chief Digital Officer at what was then called the Big Lottery Fund (now the National Lottery Community Fund). As part of that role I got asked to design a funding programme specifically about digital technology, something I ended up imaginatively calling the Digital Fund.

I took this remit very seriously - I'd never previously been responsible for a single project worth so much money (£15m) and I knew enough about the importance of user-centred design to ask a lot of people what to do. I organised workshops to inform the programme design, I asked everyone I could for ideas and critiques. I worked hard and I did my best.

Finally, I came up with a programme design, which I presented to the various powers that be. They approved it, and the Digital Fund was born. But I had made a mistake.

Mine and mine alone

Before going on, I need to make two important caveats.

First, I want to make it extremely clear that the mistakes I'm talking about in this piece are solely about the up-front programme design choices *I made* . None of this is about anyone else.

Second, I might very well have misremembered details - this was nearly five years ago.

The story of the mistake

The most important thing to know about the funding programme I designed was that it took the available budget and broke most of it up into a fairly small number of large grants - up to £500,000 each. Making bigger grants obviously means making grants to fewer organisations in total - a choice I made consciously.

Why did I design the programme like this? Well, in the twelve years before I entered grantmaking I was a creature of the tech sector. I founded a successful digital charity , and I was steeped in the norms and the lore of the tech industry.

One of the most fundamental ideas of private-sector tech investing is that to make big impacts you need to place bets across a range of contenders. Once some of the ideas show promise you pour lots of cash into them, driving them to get bigger and bigger until they are valuable to millions of people.

So I designed a funding programme that was primarily about making a relatively small number of large grants, to enable grantseeking charities to make big, bold leaps forward. In short, I adopted a venture philanthropy model, even though I didn't know at that time that was what other people called it.

The remaining budget - about 25% - was set aside for the needs of smaller charities and community groups. But most of the money was about bigger, bolder bets.

All that remained was about a million meetings, and we were ready to launch to call for proposals.

Sinking feeling

As expressions of interest finally started to flow in, I experienced an unmistakable sinking feeling. I saw that what a lot of grantseekers wanted was not big lumps of transformational funding, but enough cash to replace their failing laptops, or upgrade their wheezing broadband connections. The first phases of the programme hadn't been designed for this and so most of those people weren't even eligible to submit a full application. My only consolation was that we'd used a two stage process so the first applicants only had to fill in a couple of questions. But still.

The mistake

For the sake of balance here I must also note that the applications also contained a bunch of fantastic and on-topic applications that my successors later made awards to, but this post isn't about things that worked out well.

Ultimately I think I got the balance of spending wrong . I think I recommended that too much money be reserved for the big, potentially high-impact grants, with not enough dedicated to charity-sector staff and volunteers who just wanted a computer keyboard that actually worked.

I felt bad about this design choice at the time, but then enormously worse at the start of the Covid-19 pandemic (by which point I was no longer in the lottery universe at all). In March and April 2020 it became obvious that the absolutely key digital thing that everyone needed was lots and lots and lots of laptops, internet connections and - of course - advice on how to use them. I'd had a chance to help regular charities to buy lots more of that sort of off-the-shelf technology two years previously and I hadn't taken it.

The lesson

The lesson is this: as a grantmaker it is powerfully, profoundly tempting to become a shaper of your sector, not a servant of it.

This is especially true if you are considered an expert in a field, in which case it is so easy to take a lifetime of experiences, regrets, and hunches and to turn those into funding programme design.

I became a wannabe sector-shaper despite knowing with crystal clarity that this was a danger. As a grantseeker I'd watched some of my own funders doing this, and as a digital product designer I'd learned the dangers of building what I wanted to build, not what other people wanted to use. I had basically no excuses for not knowing how this temptation might manifest.

But at the end of the day I just wasn't humble enough to just poll 100 or 1000 random charities and then dedicate 80 or 90% of the budget to giving them exactly what they said they wanted. The temptation to say "I know what the real problem is here" was just too strong.

Not so Modern Grantmaking

In our book - written long after this mistake was made - we listed five values that all grantmakers should try to follow, all the time. **Humility** is the first. **Service** is the fourth. In my story above I didn't live up to either of those as I would have liked to.

Humility as a grantmaker is probably the most difficult of all the values to live up to, when power, control, prestige, and simple vindication of your ideas are all up for grabs. I enormously respect grantmakers strong and moral enough to stay humble without help, but I think the rest of us need support and challenge from the people around us. Providing that support and challenge to the people around is a gift you can give as a grantmaker.

So, if you can manifest humility when the big temptations are on the table, you're more of a Modern Grantmaker than I was, back in 2018.

This hasn't been easy to write. Grantmakers are not generally big at going on the record about their mistakes. I admit I'm worried about what the long term consequences will be of pressing send on this email.

But it's extremely hard to learn useful career lessons if you don't get to see and hear about mistakes - lessons learned the hard way.

Eight types of stress that weigh on grantmakers

June 2023

Most grantmakers feel guilty about *ever* complaining about our jobs. We know that it's an enormous privilege to be on the side of the table that has the money, rather than the side of the table that lacks it. And we know that the people who work for the organisations we support are often doing jobs where the workplace hazards can vary from profound stress to actually being killed for their work.

Eight sources of stress

But this reticence to grumble means we often don't talk enough about the psychological pressures that grantmakers experience. These pressures are real, often fierce and have consequences. Here's eight sources of stress that think should be talked about more:

- **Exhaustion** - A lot of grantmakers regularly work themselves to the point of exhaustion. We often do this willingly on the basis that our work is so important and the needs so urgent. But none of this takes away from the fact that exhaustion is real, has a range of spill-over consequences, and after a while makes us worse at our jobs.
- **Isolation** - Many grantmaking foundations are tiny, with perhaps just one staff member supporting a set of trustees. This leads to grantmakers in smaller funders routinely feeling isolated, something exacerbated by the next item on this list. Even the CEOs of medium or larger foundations often feel lonely, trapped between boards above and teams below and not necessarily able to share everything they'd like to say with either.
- **Half-truths** - When people know that you are a gatekeeper to money this often changes how people talk to you. The prospect of funding often makes conversations stilted, artificially flattering, and spun to be as optimistic as possible. To correct for this distortion, grantmakers have to constantly read between lines, and question the veracity of things said. This can make us distrustful, which is a stressful feeling in its own right, and even more stressful if you are committed to working in a trust-based way.
- **Fear of getting it wrong** - Most people will go through life without ever having to make a choice about which one of a set of competing causes deserves ten thousand pounds, or a million dollars. Comparing and choosing between multiple candidates for money can be extremely demanding because we're worried about what it would be like to find out later that we made the wrong call. Many people enter grantmaking because they want to make these choices only to find out the weight of responsibility is much heavier and less pleasant than they expected.
- **The pain of rejecting people** - Almost all funders will have to reject applicants, either occasionally, or every day. This means crushing the dreams of people trying to do great things. It often feels awful and for some grantmakers they will be doing this far more than saying 'congratulations!' to the lucky ones.

- **Being treated as a means not ends** . Almost nobody approaches a grantmaker in the first place because they want to be our friend. People approach grantmakers because they want the money that we control. This means we're treated as means, not ends, on a routine basis. Back in the 18th century the philosopher Immanuel Kant noted that this habit was a source of great harm in the world. So when you find yourself thinking "I wish people didn't just see me as a human cash machine" you're feeling what it is to be treated as a means, not an end.
- **Guilt** - Most grantmakers are routinely working with, and making decisions about people whose lives are more difficult, poorer and more dangerous than their own. Some grantmakers grow hardened to this, treating it as a sad side-effect of an unequal world. But others are really eaten up by the unfairness of it. This is one of those feelings that is both entirely justified, but also not conducive to personal happiness.
- **Representing decisions we disagree with** . Nobody doing any job enjoys being the face of organisational decisions or policies that we don't actually agree with. Grantmakers feel this too, and perhaps more acutely than average because we feel that by joining a funder we're giving the organisation our moral endorsement, not just our labour. If our employer makes choices we really disagree with, it can feel personal and compromising.

What to do about it

So if you've experienced any of the above types of stress, the first thing to say is that there's no shame in acknowledging it. Just because this job is privileged and powerful doesn't mean it can't make us unhappy or even sick, too.

The next step, having acknowledged that these stresses are real, valid things, is to talk about it with our colleagues, our families, or our peer grantmakers. Starting these conversations is the first step to coping with and adapting our jobs so we can be good at them, and happy in them, at the same time.

PART 8

Special Topics & Case Studies

8

Why grantmaking isn’t commissioning, and vice versa

April 2025

Grantmaking and commissioning are different. Being clear about how they differ will make your life as a grantmaker better and less stressful, and will help your grantees a whole bunch too.

You might think that this is going to be an essay about the joys of tax regimes. Not quite. The authorities in different countries *do care* about grantmaking-vs-commissioning, but there's a deeper philosophical point that transcends different legal regimes, and that all grantmakers should have clear in their minds.

The key difference between grantmaking and commissioning comes down to the **idea at the heart of a funded project, and where that idea comes from** .

Consider the idea of building a new playground. Picture workers in hi-vis installing a slide, some climbing frames, a merry-go-round. But playgrounds don't come for free - someone is going to have to pay for the equipment, pay for those workers.

This means that someone who controls funds - a funder - is going to have to sign off the expenditure, and transfer some funds. But this still doesn't tell us whether this money is a grant or a commission - a funder can be a grantmaker, or a commissioner, or both.

What determines whether the money for this playground is a grant or a commission is *who had the idea to install the playground.*

A tale of two playgrounds

If local parents decide that they really want a playground, and then seek out money for it from the local council, then the idea is fundamentally theirs. This means the money they are seeking is a **grant** .

But if local council officers decide that a playground should be built, and they deploy council funds to get it built, we call this a **commission** .

In both scenarios local kids get the exact same playground, with money that even came from the same source, but the mechanism for getting there is different.

Given that the output of these two ventures is basically the same, you might then assume that the precise type of funding activity that enabled it is largely irrelevant. But you'd be wrong.

People care a lot about their own ideas and dreams

Imagine that the see-saw in this playground jams and breaks. It won't see and it won't saw. What happens next?

With the playground that's been commissioned by some council officials, the local residents might consider that the breakage is "not my problem", and may never report the issue at all. Or if they do report it, their problem might or might not get fixed, depending on a thousand other council priorities.

But with a playground that was thought up by the local parents, there will likely be a greater sense of shared responsibility towards "our playground". Someone might bring a tool kit and try to fix it themselves. Or the parent who arranged for the equipment to be installed might contact the contractors to see if they can be encouraged to fix it.

In short, the people who receive grants for "their idea" bring personal involvement, a sense of ownership and passion to projects, whereas people receiving commissions may do their professional best, but fundamentally see the work as a job being carried out for the benefit of someone else. And we all know from our own lives how it feels to do something for passion, vs for work.

Grantees get frustrated and confused when they're given disguised commissions

One story we've heard repeatedly while working with grantmaking clients goes like this:

"I keep trying to get my grantees to do what we told them to do in their grant agreements. But they keep letting us down, doing things we didn't agree with, and then complaining about the way they feel we're bossing them around. Help!"

When we have dug into this lament, a common cause has emerged, one we have seen across different funders in different fields.

What happens is that funding applicants believe they are entering grant relationships, receiving money to realise their *own ideas* . But what they are actually doing was entering into a commissioning relationship where the funder needs certain jobs doing *exactly to their own specification* . When these jobs are then not done well, or not done at all, this creates stress and grief for the grantmakers: people who are normally themselves under pressure from boards, bosses and funders. It is at this moment that difficult calls between funders and fundees can happen, and where grantees can start to complain about being pushed around.

What to do if you are experiencing granting vs commissioning problems

If you think your organisation might be suffering from problems that result from mixing up grantmaking and commissioning, here's a few things you can try.

- Convene an internal discussion around the question "What are our organisation's definitions of 'commissioning' and 'grantmaking?"
- Make sure your board has a briefing on how commissioning and grantmaking are different, and encourage them to understand that even if one mechanism has a tax advantage in a certain situation, that doesn't mean it's necessarily the right thing to use.
- If some of your grant programmes are actually commission programmes, and for some reason you can't change this, make sure that your guidance to applicants is super clear that they are going to be held to tight standards for delivery.

How to explain to non-grantmakers what keeps you awake at night

November 2025

We were recently asked to train a group of people who worked for a big-ish funding organisation, but who were themselves not grantmakers. Most medium-to-big funding organisations have a range of employees like lawyers, IT specialists, facilities people, finance experts and so on who support the business of grantmaking, but who aren't themselves grantmakers. We wanted to help make sure that these colleagues had a good fundamental understanding of what grantmaking is all about. It was a fun day.

As part of this training we ran a session "What do grantmakers worry about?", designed to help build empathy between colleagues. We thought you might find it useful, especially when you're trying to explain the tricky bits of your job to other people.

Worry 1. "By making this grant, might we create harm instead of making things better?"

This worry is first in a longish worry list for a reason. Modern Grantmakers recognise that grants in and of themselves are not inherently 'good' and that it's possible for some grants to potentially make things worse in the world. This worry can motivate grantmakers to check that they won't be funding interventions that have already been disproven, and to share useful learning widely from grants they make.

Worry 2. "How can I make the biggest difference possible with the funding available, across individual grants and whole portfolios?"

Most grantmakers' working lives involve never having enough money to meet the needs expressed by grantseekers. One way grantmakers deal with this is by being hyper-focused on how they can help to make the biggest difference with the funding available, in terms of individual grants and sometimes across funding portfolios (e.g. an 'education portfolio').

This can involve being very clear about what contribution a funder can realistically make to solving a problem. Put simply, grantmakers do and *should* worry about things like what realistic contribution a £1m grant to help end homelessness could make within a city. And they *should* caution against any funder automatically attributing impact to its own (usually relatively small) slice of the overall funding pie (when you factor in government spend…).

Worry 3. "Is our funding equitable?"

Some grantmakers worry about how to ensure funding processes and grants help address systemic barriers faced by communities. Grantmakers that do worry about this question will adopt proactive strategies to change things like increasing board diversity, engaging communities in decision-making, and reducing administrative burdens on grantees, especially those from historically underfunded communities.

Worry 4. "Do our funding processes create unnecessary burdens?"

Many grantmakers understand that creating confusing and burdensome funding processes creates problems not only for grantseekers and grantees but also for funders too. Because bad processes can lead to funders inadvertently excluding organisations they may want to support, can cause funders to waste effort at proposal and assessment stage, and can spoil relationships with anyone who eventually gets a grant. So, many grantmakers worry about how they can work to continuously improve funding processes to ensure that these are accessible and in service of their organisation's values and mission. Grantmakers who focus on this specific worry may well take it upon themselves to learn more about how to effectively redesign funding services, based on feedback.

Worry 5. "Will the applicant be able to deliver?"

This worry is the 'Absolute Classic' of grantmaking life. It's not just about grantmakers peering over proposals with a metaphorical magnifying glass trying to judge whether a grantseeker is likely capable of delivering on their plans. It's also about grantmakers recognising that their own organisation has both a role and a responsibility in enabling grantseekers to deliver.

If a funder believes a grantseeker to be a good fit but learns that said grantseeker needs to improve its skills before it can deliver successfully, then the funder can be helpful and proactive by providing funding for capacity building to enable future delivery.

Worry 6. " Will both we the grantmaker and our grantees be able to learn from this grant?"

This worry comes in two parts. First, grantmakers worry about how best to support grantees so that they can learn whether the work they are doing is having the desired benefits, or not. Because sometimes grantmakers can support grantees by helping them to get better at research and evaluation, or by funding these activities directly.

Second, the day-to-day job of a grantmaker can be jam-packed with activities designed to get good quality proposals, to enable assessment of these and to get grant management going. We know, because they've told us time and time again, that some grantmakers worry that the day job doesn't often leave enough time for them to reflect on and learn from grants made, even if research and evaluation has been produced.

Worry 7. "Are we taking any legal, financial or reputational risks by making this grant?"

Modern Grantmakers know that it's impossible to totally eliminate risk from making grants. But it is also true that some grants will be 'riskier' than others, as perceived by the funder across various board-worrying dimensions including legal, financial and reputational.

Grantmakers can help to manage risks well by ensuring a proportionate approach to due diligence and grant management, often depending on a grant's complexity and sometimes size.

Worry 8. "How do I ensure alignment between my work and that of decision-makers?"

We couldn't wind up a set of typical grantmaker worries without mentioning 'decision-makers', AKA the people who sit on the boards of funders or grants committees and who very often make final funding decisions.

We may be so bold as to say that every grantmaker, sometimes, worries about whether the work they are doing is aligned with the expectations of decision-makers. This worry may have caused some of you to have far too lucid nightmares about presenting to a group of decision-makers in your underwear (no, just me?!). These horrors can be avoided by building effective working relationships to deepen trust, and by using things like your organisation's vision/mission and strategy as northstars for everyone to follow.

Grantmaking beyond the anglosphere

February 2026

As you might have noticed, this newsletter is written in English. Once you've recovered from this shock, you might realise that this means most of the stories we feature are from English-speaking grantmakers, mostly in the UK and the US.

Why we looked further afield

We thought it would be interesting to dig into what notable grantmaking happenings have been going on elsewhere, and here is what we found:

What we found

- **Switzerland.** Switzerland is a lot smaller than the UK - it only has 13% of the population. But a recent study found that its foundations make £5.4bn of grants a year, or a whacking 69% of the UK total.
- **Netherlands** . A foundation set up by a royal princess was - rather weirdly - used by the Dutch government to deliver compensation for a huge government benefits cockup which harmed thousands of parents. If this sounds strange to you, it also did to the Dutch - the princess resigned in a cloud of mutual recriminations.
- **Hungary** . In Hungary the government has continued to try to pass laws the purpose of which are to stop funders sending money to nonprofit organisations which it deems to be "portraying Hungary negatively". Classic authoritarian playbook stuff, sadly.
- **Spain** . The Financial Times has a fascinating long read of the 37bn EUR Caixa Foundation, which owns such big chunks of big Spanish companies like Telefonica that it can (and does) change who leads those companies. If you're at a foundation agonising about how you might create social impact with your endowment, this is certainly a surprising take on that idea. Bonus surprise: features Opus Dei. (Article is behind paywall, sorry).
- **Spain II.** Unusually for Europe, Spanish law obliges foundations to spend at least 70% of income on their goals, and crucially to do so within 4 years. We hadn't previously come across any country in Europe where the law puts this kind of "You have to spend the money" pressure on foundations, something mostly associated with America .
- **Netherlands** . The Dutch Postcode lottery is growing, and is now the third biggest annual funder in the world (amongst private foundations at least.) Why pluck them from a sea of other large funders? Because their standard grants are **five years unrestricted.**
- **South Korea** . South Korea is home to a funder called the Beautiful Foundation, which might be the best funder name ever. It's a sort of hybrid community foundation and DAF, with a very successful campaign to get over 20,000 people to give 1% of their income through it.

- **Germany** . An unusual legal regime in Germany historically let foundations formally establish themselves as either 'in perpetuity' funders which live off their endowments, or 'limited life' organisations, which burned down their money. This in its own right is unusual enough to be noteworthy, but we share it because there turned out to be a sort of hilarious bug in the law: you couldn't convert a foundation from 'perpetuity' to 'limited life'. This didn't matter if everything was going great, but if you were set up as a perpetuity foundation and suddenly your assets didn't generate any returns (because say... interest rates crashed) you were just stuck: can't spend, can't change, just frozen. This bug has been fixed in a new law passed in 2023, that also fixes a lot of other things. Notably the same law will bring about a central register of German foundations, something which hasn't existed before and will doubtless interest fundraisers (and us)!

Key Takeaways

If there's a through-line connecting these articles, it's this: grantmaking is a tricky job, and building skills to do it right deserves to be taken seriously. It requires a constellation of skills, ongoing learning, and honest reflection about power, impact, and relationships.

Here are some of the core principles that emerge across these articles:

Respect people's time and dignity. Whether you're writing rejection letters, designing application processes, or asking for reports, remember that grantseekers are people too often doing incredibly difficult work. Bureaucracy that wastes their time is not neutral—it's harmful.

Be honest about power. The funder-grantee relationship is not between equals, and pretending otherwise doesn't help anyone. Acknowledge the power you hold, use it thoughtfully, and create structures that constrain its potential for harm.

Systems matter. The quality of your operations for e.g. how smoothly money flows, how clearly you communicate, how sensibly you monitor directly affects your impact. Bad systems spoil the work and the lives of grantees, and they waste your time too.

Trust is a choice. Every restriction you place on a grant, every reporting requirement you add, every time you insist on project funding over core costs, these are all choices that signal that you just don't trust the people you are funding to do their jobs. And you pay for that lack of trust with more than just bad relations - you pay by getting less for the money you granted.

Governance shapes everything. Who sits on your board, how they understand their role, whether they delegate appropriately, these factors determine whether your funder is great, average, or mediocre. And the world can't afford mediocre funding organisations.

Transparency is foundational. If grantseekers can't easily find out what you fund, how to apply, and who has received grants, you're creating unnecessary barriers. Making this information public isn't radical; it's basic professional practice (and courtesy).

Evidence has limits. The pursuit of certainty can paradoxically limit impact by causing funders to avoid important work that's hard to measure. Learn to make peace with uncertainty while still trying to learn what you can.

The boring stuff matters. Core costs, rent, salaries-any assumption that these are not 'exciting' to fund is ultimately counter-productive. Don't let innovation addiction distract from funding what's really needed.

The field of grantmaking is evolving. More funders are embracing trust-based approaches, unrestricted funding, and honest acknowledgment of power dynamics. More organisations are investing in professional development for their staff and boards. More people are willing to share mistakes and learn from each other.

This collection is one small contribution to that evolution. We hope it's useful.

For more resources, training, and to subscribe to the newsletter: moderngrantmaking.com

The Lighter Side of Grantmaking

Each month we include a bad grantmaking joke. Here they are, organised by theme.

On Application & Rejection Processes

Q: How many grantmakers does it take to change a lightbulb?

A: Two—one to write an RFP for lightbulb-changing services, and another to evaluate proposals based on their impact on global illumination.

Q: What did the unsuccessful applicant say when sent a rejection email on 24th December?

A: ...Yule be sorry.

On Reporting & Bureaucracy

Q: Why did the grantmaker break up with the proposal?

A: Because it had too many attachments.

Q: What takes many hands to build but afterwards is never touched again?

A: End-of-grant reports.

Q: What's the difference between a black hole and a grantmaker with disproportionate reporting requirements?

A: Both have an insatiable appetite for information, but at least the black hole eventually stops asking follow-up questions.

Q: What do annual reports and foundation reports have in common?

A: No one reads them.

On Funding Relationships

Q: What's a grantmaker's online dating bio?

A: Looking for innovation and risk-taking! Must have 10+ years of proven track record with zero failures.

Funder: Tell us how you'll become sustainable once our grant ends.

Applicant: We can't. We're a non-prophet.

Q: Why did the grantseeker cross the road?

A: To get your damned money, obviously.

On Strategic Planning & Impact

Q: Why doesn't the Santa foundation have a long-term strategic plan?

A: It's too focused on the present.

Q: What do you call a philanthropist who's been hit by a meteor?

A: A high impact donor.

Q: What's the difference between a skydiver whose parachute has failed and a rubbish old-school funder?

A: The skydiver actually cares about impact.

Tech & Systems

Q: What's got more bugs than any rainforest?

A: Your funding management system.

Seasonal & Simply Silly

Q: What do you call a funder who likes fish and chips?

A: A plaice-based donor.

Q: Which grantmakers are good at fireworks displays?

A: Those that have a flare for it.

Q: What happened to the grantmaker who didn't pay their exorcist?

A: Their house was repossessed.

Q: Why don't mummy grantmakers take time off?

A: They're afraid to unwind.

Q: What do you call grants given to snowmen past their prime?

A: Water aid.

Q: What did the skeleton crew at the foundation do?

A: The bare bones minimum.

Q: Why was the medieval jester a terrible grantmaker?

A: All his decisions were in jest.

Q: What's the scariest thing about foundation CEOs?

A: A foundation CEO telling a joke.

Q: Why did Guy Fawkes make a terrible programme officer?

A: He was always trying to blow up budgets.

Got any terrible or actually funny grantmaking jokes to share? The Modern Grantmaking newsletter always welcomes contributions.

Contact us at hello@moderngrantmaking.com

Practical advice for people who believe better grantmaking is possible.

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