Grantmaking Tool Kit for Canadian Community Foundations

Revised 2005
ACKNOWLEDGEMENTS

GRANTMAKING TOOL KIT FOR CANADIAN COMMUNITY FOUNDATIONS

Originally produced in 1998 by Community Foundations of Canada (CFC), the manual was written by Sheila Brown, Vancouver-based writer/consultant, and Beth Girvan, grantmaking consultant to CFC, working with Betsy Martin, Director of Programs for CFC. Many people throughout the community foundation movement gave valuable input.

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INTRODUCTION

Welcome to the Grantmaking Tool Kit. By opening the manual and turning to this page, you have taken the first step in a process that involves building a new grantmaking program, or fine-tuning an existing one.

As individual needs and circumstances vary, so will the potential uses of this kit. However, it was developed primarily to be a resource to:

• new and emerging community foundations starting a grantmaking program;
• established foundations interested in revitalizing their granting; and
• community foundations of all sizes and stages of development – in the orientation and training of grants committee, board, and/or staff members.

This manual functions as a "tool box" that you can look into, grab what you need, and use accordingly. Or you can choose to go through it sequentially, building as you go. The kit contains an assortment of information, worksheets, samples, and templates that serve as tools to help you establish or strengthen your grantmaking activities. But, unlike a real construction project, there are no technical blueprints that must be adhered to. You can use what works for you, or modify accordingly.

The unique conditions of your community foundation dictate what areas you need to build, fix, or strengthen. As the architects of your own grantmaking plans, you will shape the design and outcomes. So assemble your "work crew," roll up your sleeves, and get ready!
USE OF TOOL KIT

This manual is divided into four parts.

**Part A** provides information about the principles, priorities, and policies that provide the base of an effective grantmaking program. Whether you are starting from scratch, or building on existing work, this section provides the contextual backdrop. It situates grantmaking as one of the core roles of a community foundation, one which fuels fund development, creates opportunities for visibility, and leads to the value-added role of community leadership. In this section, you will see how grantmaking is rooted in the foundation's mission and values.

**Part B** moves into the practical realm of The Grantmaking Cycle. Here you will find details about application procedures, forms, guidelines, review, assessment, and more. This is the main body of the manual.

**Part C** offers a glimpse of great grantmaking in action. We look at six projects funded by community foundations across Canada that provide examples of "good grantmaking." There are many more out there to be shared. You are invited to add to this section with your own great stories over the years.

**Part D** is full of samples taken from Canadian community foundations.
PART A – PRINCIPLES, PRIORITIES, POLICIES

A1. IMPORTANCE OF GRANTMAKING

The core roles of a community foundation have often been compared to a three-legged stool, with broad and effective grantmaking, endowment building and flexible, comprehensive donor services, and inclusive community leadership as the three legs. All the “legs” are needed to provide support, and without a balance of strength in each leg, the whole becomes ineffective.

Likewise, the core functions of a community foundation depend on and support each other. In circular fashion, assets are developed in order to make grants, which in turn raise the foundation profile, enabling it to play more of a community leadership role. Both grantmaking and leadership attract donors, thus leading to more fund development.

At the heart of this model lies grantmaking. It is primarily through its granting activity that a foundation achieves its central purpose of improving the quality of life in the community. By working in partnership with local organizations, the foundation is able to direct its funds to meeting community needs, ensuring that needs and opportunities are reflective of the entire community, and building capacity. And seeing the results of a foundation’s actions in community projects is the greatest inspiration for others to come forward to contribute their time and dollars.

Closely connected to its grantmaking, a foundation is also able to play a value-added role — providing advice to grant seekers, linking key people, and convening. This, in turn, expands into broader community leadership initiatives.
Broad and effective grantmaking

Community foundations bring local knowledge, experience and a network of community relationships to their grantmaking. Using their broad view of community needs and opportunities, community foundations make grants to a wide range of registered charities, primarily in their defined geographic area, to address short-term and long-term priorities across many fields. They are able to see “the big picture” and build on community strengths. Community foundations:

- address both immediate and long-term community priorities, needs, and opportunities, and reflect the community’s diversity
- identify, reflect and disseminate knowledge of current and emerging community issues and priorities
- demonstrate flexibility, creativity and responsiveness
- focus on initiatives that build on strengths and assets, that increase the capacity of organizations to respond to challenges and opportunities, and that promote sustainability
- build on the knowledge and expertise of others in the community, including volunteers and donors, who are invited to participate in granting processes
- work collaboratively with other funders and grantmakers
- respect the philanthropic wishes of diverse donors and give them information and support to enhance their understanding of community needs and granting
- invite qualified community organizations to submit grant requests by widely publicizing the availability of grants and how to apply
- identify priority community needs and encourage strategic grantmaking; encourage qualified organizations to submit proposals, support them as they develop their plans, and link them to potential collaborators and funders
- report regularly to the community on grants made, the impact of these grants on community well-being, and, if appropriate, the link with donors’ interests;
- develop and implement policies and procedures to guide priority-setting, decision-making, conflict of interest, and ways in which grants and the foundation’s granting processes will be monitored and evaluated.

Excerpt from *The Community Foundation Difference: Describing What Makes Us Special, 2002*
A2. PRINCIPLES FOR COMMUNITY FOUNDATIONS

We begin with a set of principles that apply to all aspects of community foundation work. They offer a logical starting point, since we see them as a philosophical pedestal, a base that supports and inspires effective grantmaking. You may wish to explore these principles as a preliminary step in the process of establishing or enriching your grantmaking. Throughout this manual, we will refer back to them. Look for them highlighted in grey boxes.


The Principles

Principle 1: Building Community Capacity
We will nurture and build on our community's strengths and assets. Communities are strengthened by initiatives which increase the capacity of organizations and individuals to respond to challenges and opportunities, develop local leadership, promote self-reliance, emphasize prevention and mobilize civic participation and resources.

Principle 2: Understanding the Changing Nature of Our Communities
To be strategic in all our activities, we need to know our communities well. This involves spending time in community consultation, making ourselves available for discussion, being active participants in the community, monitoring local and national trends and being aware of the impact of change in our communities.

Principle 3: Creating Opportunities for Dialogue
Because of our broad mandate to nurture a vital community, we will bring together people with different ideas and points of view and create opportunities for respectful dialogue on issues of importance to our communities.

Principle 4: Developing Partnerships
Since more can be accomplished when we act together, we will form, encourage and support partnerships among individuals, neighbourhood and community groups, service clubs, foundations, professional advisors, businesses, governments, the media and others, based on shared vision and mutual responsibility.

Principle 5: Reflecting Diversity and Fostering Renewal
We believe there is strength in diversity and that our communities will be better served when we understand different points of view and engage the broader community in our deliberations and decision-making.
Principle 6: Establishing an Effective and Imaginative Grants Program
We will strive to continually improve our skills as grantmakers, making a visible and lasting difference in our communities through a granting program that is balanced, flexible, creative and responsive.

Principle 7: Building Community Assets and Facilitating Philanthropy
As we build and invest permanent endowments and other assets for our communities now and in the future, we will help our donors derive the maximum possible benefit and satisfaction from their giving by learning about their charitable goals, providing them with information about ever changing needs, integrating their goals with community opportunities, and providing flexible giving options. We will value and champion philanthropy.

Principle 8: Evaluating and Sharing Results
We will evaluate our activities to improve our skills and knowledge and we will share key findings with others.

Principle 9: Implementing Responsive and Accountable Processes
We will engage in practices that are open and accessible, fair and objective, flexible and timely with grant seekers, donors, volunteers and others in the community. This is essential to our role as credible and reputable stewards of community resources.

Principle 10: Balancing Our Resources
Because our fund development, grantmaking and other community leadership activities are interdependent, we will commit and balance our human and financial resources among them.
A3. GRANTING POLICIES AND PRIORITIES

Imagine you are building your own home. You don't just pick up a hammer and start building walls and a roof. First, you think it through, and develop a design. You assess your family's personal values, style preferences, and space needs. You take into account the neighbourhood and surrounding environment. You consider options against available budget, and agree on priorities. Big kitchen or small TV room? Wood-frame or aluminum windows? Front porch or open deck? To end up with a place that is comfortable to live in, you need to examine what is important to you and what is appropriate for the neighbourhood.

Likewise, a community foundation establishing or strengthening a grantmaking program should start by examining what it considers to be important, and what is needed by the community. From a close look at its mission, values, goals, and community context, a foundation is then in a position to develop relevant granting policies (i.e. direction, approach) and strategic priorities (i.e. specific interests, targets). Such analysis leads to policies and priorities that reflect the interests and values of the foundation, and that respond to the needs of the changing community.

Developing Policies and Priorities

Granting policies and funding priorities are developed by the board and grants committee, often in consultation with the community. They may be based on a strategic planning exercise, or on evaluation of previous years’ grant activities (in the case of established programs).

It is useful for foundations to start by looking both "in the mirror" and "out the window." In other words, they need to know their foundation and know their community. The exercise on the next page helps facilitate this process.

<table>
<thead>
<tr>
<th>Why are Policies and Priorities Important?</th>
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<tbody>
<tr>
<td>Strategic priorities and policies help a community foundation:</td>
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<tr>
<td>• Create a sense of identity</td>
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<tr>
<td>• Target limited resources</td>
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<tr>
<td>• Provide a sense of direction for staff and board</td>
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<tr>
<td>• Define funding interests so grantmaking is more strategic</td>
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<tr>
<td>• Make grantmaking more fair</td>
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<tr>
<td>• Make assessment more efficient and effective (i.e. more focused proposals, reduced review time).</td>
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Grantmaking Tool Kit for Canadian Community Foundations
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Exercise: Know Your Community Foundation

Have your group brainstorm answers to the following questions. The responses will help inform your priority- and policy-setting. Preliminary consultation with the community* is recommended, whether through focus groups or meetings with community leaders and advisory groups. (Note: The "Know Your Community" questions can be used not only for your brainstorming, but also to guide the community consultation.)

Know Your Community

- What does "our community" look like? What are the demographics, history, trends?
- What is the cultural/racial/ethnic/religious diversity in our community?
- What are the key social issues affecting our community?
- What resources exist to address these issues? Are there gaps in service? Are there needs that are not being addressed?
- Is there duplication?
- What are both the challenges and the opportunities facing our community?
- Where do we see innovative responses to community concerns?

* Principle 2: Understanding the Changing Nature of Our Communities
To be strategic in all our activities, we need to know our communities well. This involves spending time in community consultation, making ourselves available for discussion, being active participants in the community, monitoring local and national trends and being aware of the impact of change in our communities.
Know Your Foundation

- How do we define our role, mission, vision and core values?

- What do we want to accomplish, and how will we get there?

- What are our strengths? What resources, skills, and capacity do we have?

- Are we an inclusive organization that involves people who are reflective of our community?

- What are our constraints? What limitations do we face?

- With our limited funds, what opportunities are there to invest in our community?

- What community needs are of prime concern to us? Is there an issue or area of particular interest to us?

- How can we help build community capacity*?

- How can we use limited resources most strategically? In what ways other than grantmaking can we meet our objectives, and respond to community issues?

- How broad or narrow should our priorities be?

You may find your response to the last question will be influenced by your foundation's stage of development. Often, in the early stages, priorities are more like guiding principles. They tend to be "broad brush," leaving the door open for a wide variety of proposals. For example:

Projects that:

- are innovative or unique
- involve partnerships with other organizations
- use volunteers
- complement other services
- build capacity of citizens for leadership and participation in community life.

As they mature and their resources grow, foundations often prefer to target funding in specific, defined priority areas.

For example:

- children at risk
- audience development in the arts
- First Nations education and training
- family violence

* Principle 1: "Building Community Capacity"
We will nurture and build on our community's strengths and assets. Communities are strengthened by initiatives which increase the capacity of organizations and individuals to respond to challenges and opportunities, develop local leadership, promote self-reliance, emphasize prevention and mobilize civic participation and resources.
How to make the most of limited resources

- Convene meetings for community representatives to discuss key issues*
- Identify one or more target areas for funding each year, and profile them through a press release, annual meeting or media event
- Strengthen community capacity by funding leadership development, technical assistance, volunteer development
- Play a catalytic role by encouraging change in the way things are done

* Principle 3: Creating Opportunities for Dialogue
Because of our broad mandate to nurture a vital community, we will bring together people with different ideas and points of view and create opportunities for respectful dialogue on issues of importance to our communities.
Examples of Strategic Priorities

The following examples show how strategic priorities are shaped by the particular environment of a community foundation.

The Hamilton Community Foundation undertook a strategic planning exercise that resulted in a new mission and core values. They then looked at their grantmaking in the context of the new mission and values. Wanting to both move their grantmaking into new areas and retain flexibility, the Foundation developed a set of priorities, some of which are listed below:

- innovative ideas which address critical community needs and strengthen the community’s capacity to care for itself;

- initiatives which:
  - exhibit collaboration/cooperation within and across sectors;
  - address prevention as a response to challenges;
  - provide access to opportunities for our diverse community;
  - promote the discovery and testing of new ways of providing services (e.g. by restructuring and redesigning organizations and sectors).

The Medicine Hat Community Foundation was concerned about the funding stability of several key organizations. They realized that Foundation resources were modest, but they also realized there was strong potential for partnerships in the community. They consequently adopted the following strategic priorities:

- improvement of organizational structure
- development of sustainable results with modest funding building of partnerships
- development of fresh approaches to community problems
- empowerment for citizens.

In Ottawa, the community foundation was inspired by John McKnight who addressed their 1995 annual celebration on the subject of community building. They subsequently replaced their focus on community needs and problems with a focus on issues and opportunities. Instead of doing needs studies, they gave priority to projects that built on the strengths and skills of individuals and neighbourhood groups.

As a catalyst for positive action, The Calgary Foundation established the Forever Funds to support particular issues that require increased leadership and funding. These are Field of Interest Funds. The Diversity and Inclusion Forever Fund supports “valuing all people equally and treating all people with respect.” The 2005 Annual Report states that “In a broad sense, diversity is about all the ways that people are different and ensures that people are valued and respected both for and despite their differences.”
Questions to Ask in Developing Policies

To help your foundation formulate policies that will direct your grantmaking activities, continue the brainstorming process by asking the following questions.

- **Do we want to award grants by:**
  - field of interest (e.g. arts, education, health, environment)?
  - population served (e.g. seniors, people with disabilities, women, youth)?
  - activity (e.g. advocacy, training, capacity-building)?
  - current issue (e.g. coping with change, downsizing, poverty)?

- **What kinds of grants are we willing to make?**
  - building funds?
  - equipment purchase?
  - endowments?
  - multi-year funding?
  - operating support?
  - matching funds?
  - scholarships?
  - seed funding?
  - computers?
  - first dollar, last dollar?
  - videos?
  - flow-through funds?*

- **What kinds of risks are we willing to take?**
  - lower-risk, established, traditional programs only?
  - what about higher risk, innovative activities that might not happen without the foundation’s support?
  - to what extent will we take a chance with an unconventional approach?
  - will we be uncomfortable going out on a limb to lever other funding?

- **What limitations will we impose on our funding?**
  - geographic?
  - local projects of national (or provincial/territorial) organizations?
  - repeat funding to the same organization for different projects?
  - funding only where the need is great (i.e. not be a minor contributor to projects with large budgets)?
  - type of organization/activity (e.g. religious groups)?

- **How do we want to characterize the style of our grantmaking?**
  - proactive? *
  - reactive? *
  - interactive? *
  - a combination?
  - responsive?
  - flexible?
  - (* See definitions p. 17 )
• What approach do we want to take?
  o fund many small grants or a few larger grants?
  o (i.e. should we "scatter" or "target" funding?)
  o be a lead funder or wait for other partners to commit?
  o act as a resource, linking groups to other funding sources?
  o mobilize other funders to pool resources to address a priority issue?
  o fund technical assistance?
  o encourage excellence through awards and other recognition activities?

Remember that policies and priorities should be reassessed to accommodate change in the community and the foundation's growth. Your credibility and visibility in the community are tied to the grants you make. If full diversity of your community is reflected in your grantmaking, all citizens will begin to see the community foundation as relevant to their concerns. It is a good idea to review and update granting policies and priorities on a regular basis.

Flow-through Funds

• Flow-through funds are given by donors with direction to spend immediately and not be put into an endowment fund.
• They are often given by a board member or a leading citizen (private or corporate) to give a new foundation a kick-start.
• They are particularly advantageous for new foundations in helping to build profile.
• A small administrative fee is often charged to offset the cost.
• Example: Fundy Community Foundation received a $5,000 grant from a local private foundation for their first round of granting.

Reactive, Proactive, Interactive Grants: What's the Difference?

Reactive Grants
A reactive grant is the most commonly used approach. For a newly formed foundation, it is a good way to initiate grantmaking. Based on a predetermined set of criteria, it involves putting out a call for proposals to the community. Once received, these requests for funds are judged on their own merit and in competition with one another. The most obvious advantage is that foundations receive direct feedback from community organizations about current community needs.

Proactive Grants
A proactive grant is created when a foundation identifies a specific area of interest or concern and takes a leadership role in identifying projects to be funded. This kind of grantmaking may be easier for large organizations but foundations of any size can practice this approach. But why would a foundation get involved in proactive grantmaking? Perhaps they aren’t receiving the quality of proposals they want. Or they might be looking for innovative responses to community needs and decide to act as the catalyst in getting a number of organizations or individuals together.

Interactive Grants
Interactive grants occur when a foundation works with a grant applicant to help strengthen a proposal. For example, the foundation might bring in other community resources; provide budget advice; identify gifts-in-kind; or invite other community organizations to explore a collaborative approach to a project.
Spending Policies and Disbursement Quotas

As part of good stewardship, your foundation Board must set in place a spending policy that determines the amount made available from capital fund earnings for charitable grants and administrative fees.

Before making grants, your foundation must determine its disbursement quota. This will help you to know how much money you have available to grant.

The quota is based on both a percentage of the average market value of the foundation’s assets over the previous 24 months, as well as a percentage of gifts which have been received in the previous year which are not effectively held in perpetuity.

The following information is taken from Canada Revenue Agency’s Charity Division publication, Completing the Registered Charity Information Return, T4033 (E) Rev. 01.

- The disbursement quota is an expenditure test. To keep their registration, charities have to spend a minimum amount (the quota) on their charitable programs, including gifts to qualified donees.

- The purpose of the disbursement quota is to ensure that, as much as possible, charities actively use their tax-assisted donations to help others according to their charitable purposes. These donations are not meant, for the most part, to accumulate in a bank account, or to be spent on activities like administration or fund-raising, which may be necessary but do not directly accomplish the charity’s purposes.

- To help charities plan their expenditures, the quota is largely based on what happened in previous years. Consequently, at the end of one year, a charity should have a fair estimate of how much it will need to spend on its charitable programs during the following year.

To determine the disbursement quota for your grantmaking program, the foundation’s accountant should refer to Schedule C, of the publication mentioned above. It is available at www.cra-arc.gc.ca.

For more information on community foundations and the disbursement quota, please see CFC’s Tips and Tools #23 (November-December 2001), “Income Tax and Disbursement Quota” in the Members’ Area on CFC’s Web site at www.cfc-fcc.ca.
PART B – THE GRANTMAKING CYCLE

Having explored the base for a foundation’s grantmaking and established clear policies and strategic priorities, we are now ready to move into Part B, the Grantmaking Cycle. This part deals with the key elements of a comprehensive grantmaking program. This is the "nitty-gritty" of the tool box, with specific information on all aspects of grantmaking program administration.

Included in this section you will find information on:

- application procedures
- application forms
- funding guidelines communication
- administrative and review procedures
- grant assessment
- grants review committees
- grant monitoring and evaluation
- dissemination and utilization
- publicizing effective grants
- and other resources.

**Principle 6: Establishing an Effective and Imaginative Grants Program**

We will strive to continually improve our skills as grantmakers, making a visible and lasting difference in our communities through a granting program that is balanced, flexible, creative and responsive.
B1. APPLICATION PROCEDURE

The first tool we will examine in the Grantmaking Cycle is the establishment of application procedures. Once they are clear, you will be ready to go on to forms, guidelines, and more.

Key Points

- Effective grantmaking paradoxically requires both consistency and flexibility.

- The foundation must have processes that are fair, consistent, timely, and transparent — and that are seen to be so.* It is important to ask whether your grants reach the whole community?

- The value of establishing written procedures lies in bringing clarity and consistency to the process. When all applicants receive the same information about criteria and follow the same procedures in applying for funding, they benefit from being on "a level playing field."

- At the same time, creative grantmakers seeking to support innovation recognize the need to be flexible in their interpretation of guidelines and procedures. Rigid adherence serves neither the applicant nor the foundation well. In many cases, it is important to bend a little to support an exceptional project.

* Principle 9: Implementing Responsive and Accountable Processes
We will engage in practices that are open and accessible, fair and objective, flexible and timely with grant seekers, donors, volunteers and others in the community. This is essential to our role as credible and reputable stewards of community resources.

What Should be Considered in Developing Application Procedures?

- **Number of grant cycles per year** — Should you have one cycle a year? two? three? four? Or continuous intake? This decision will be influenced by various factors, including the amount available for distribution, demand for funding, administrative capacity, and consideration for applicants. There are pros and cons to each choice, as indicated below

- **One cycle?**
  + easiest to administer if granting activity is minimal
  - limits applicants by requiring such advance planning

- **Two cycles?**
  + breathing room between cycles; adequate time for both grant review and committee planning; evenness in competition
  - requires a degree of planning and organization that often rules out less sophisticated applicants
• **Three cycles?**
  + suits foundations with moderate to strong funding activity; offers applicants the opportunity to apply during the most active times of the year; gives foundation time for planning/other activities in summer
  - applicants that miss the spring cycle may have to wait up to six months for the next opportunity to apply
  - can be difficult to budget appropriate amounts for each cycle, as demand may vary at different times of the year

• **Four cycles?**
  + good option for applicants since it offers a quarterly chance to apply (including summer)
  - strains the foundation; offers little time for planning
  - managing the funds available for each cycle can be a challenge due to unpredictable demand at different times of the year

• **Continuous intake?**
  + optimal for applicants
  - difficult for foundation to manage; meetings scheduled ad hoc.

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**Allow Time for Planning**

It is important to schedule planning meetings on an annual basis.

When thinking of grant cycles, factor in an extra meeting devoted to planning, so committee members can assess last year's results and look ahead to the next year, without the pressure of reviewing grants.
• **One or two step application** - Many foundations use a two-stage process, in which the applicant first submits a letter of enquiry (letter of interest or intent)*.

If the project seems suitable, the foundation then invites an application, or requests further information. (See Part D)

By screening projects through the preliminary letter of enquiry, foundations are able to spend more time on the projects that have the best chance of receiving funding. Applicants with little chance of success are also spared the effort of completing a more rigorous application.

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*Lettet of Enquiry*

The letter of enquiry provides a vehicle for the applicant to indicate interest in applying, and for the foundation to screen for basic eligibility. It should be a **short** outline of the project only, with enough information for the foundation to decide whether to invite an application or not.

Generally, a letter of enquiry answers the following questions:
1. Who are you (the applicant organization)?
2. What is your charitable registration number?
3. What do you propose to do? What is your good idea that needs funding?
4. How much money are you requesting from the foundation?
5. When will the project take place?

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• **Time lines** - Once you have decided on cycles and steps, you need to establish a time frame for your application procedures. This requires decision-making about the following:

  o when to establish your deadlines (unless you are accepting applications on an ongoing basis throughout the year);

  o how much time to allow for administrative procedures, assessment of the proposal, and decision-making;

  o how quickly you will respond to applicants.

• Once the dates are established, prepare a calendar (or information sheet) with the year's key deadline dates, committee and board meeting dates. This calendar should be distributed to board, committee and staff members.
• **Communication** - It is important to think about the above-mentioned points carefully and realistically at the outset, since the information needs to be conveyed to potential applicants. Then you need to look at ways to communicate the information clearly and succinctly to grant seekers. Remember the diversity in your community and make sure your communication methods are inclusive of their needs such as language or ability. Most foundations develop and distribute funding guidelines. (See p. 27 – 30)

• **Volunteer and/or staff roles** - Whether your foundation is staffed or run exclusively by volunteers, you must examine the requirements to perform the grantmaking work, and establish volunteer and/or staff roles accordingly. Do a quick scan to determine how reflective your staff and volunteers are of your community.

• **Assign responsibilities** - Once roles are clear, establish the individuals, committees, and/or positions responsible for key activities

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**What One Foundation Did**

A small foundation with part-time staff, the **Central Okanagan Foundation** saw a need for flexibility in their grant cycle. Wanting to be more responsive, they added to their three cycles per year a provision for a “Special Discretionary Grant.” This allotment totals $4,500 per year (of which no more than $1,500 can be awarded to any given project). Such grants require the signature of three grant committee members.

By establishing this Special Discretionary Grant, the foundation was able to respond to an application to support a career fair for native youth where they met positive role models from a variety of professional backgrounds.

Not only was this grant valuable for the 400 students who attended, but it also offered an opportunity for the foundation to build a bridge with the First Nations community.

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* **TIP** * To avoid annual reprints of your guideline, consider selecting standard deadlines that apply each year, such as “October 1 or April 1.”
B2. APPLICATION FORMS

Why Use an Application Form?

Most community foundations find it helpful to use a standard application form for the following reasons:

- It helps to organize the information in a consistent manner.
- It makes the review process easier and faster.
- It solicits response to key review questions, and reduces the need to request further information from the applicant.
- Submissions tend to be of higher quality.
- Usually, it keeps the submission to a manageable length, and requires applicants to be concise.

What Should be Included?

Whether you are considering grants of $500 or $50,000, there is certain core information that an application form should solicit from the grant seeker, as follows:

**Core information**

- Name of organization
- organization address, phone, fax number, and e-mail address contact person address, phone, fax number, and e-mail address
- charitable registration number (including Canada Revenue Agency letter confirming this number)
- project title
- project goals and objectives
- project description and plan of action
- duration of the project
- project budget (including expenses and revenue (with funding from other sources both anticipated and confirmed)
- amount requested
- evaluation plans
- dissemination plans (where appropriate)
- signature of board representative with signing authority and authorized staff person
**Mandatory attachments**

In addition, the applicant should submit the following material with the application form:

- list of board of directors
- financial statements for last complete year (preferably audited)

**Additional information**

Beyond the base documentation mentioned above, community foundations usually request additional information, depending on the nature of their funding and their own review requirements. Listed below are some choices to help you develop an application form that best meets your needs.

- organizational mandate/history
- current operating budget
- number of full- and part-time staff/volunteers, and qualifications of project staff (if applicable)
- explanation of project need
- who the project will benefit and how many people it is expected to reach – does the project reach diverse groups
- how end users are involved in project development
- future funding
- community involvement and support collaboration with other agencies
- how the project addresses foundation priorities
- how the foundation will be recognized
- references from people who know the work of the agency
Optional attachments

- annual report
- letters of support
- copies of quotations for capital purchases
- names and telephone numbers of other funders (for consultations)

Some foundations also include a summary sheet as part of the application form. This usually provides the key agency identification information, its total budget, the total project cost, amount requested, project title and summary description.

Remember to include the foundation’s mailing address on the application form.

If you require more than one copy, state clearly the number of copies to be submitted.

Reinforce the deadline dates.

Consider preparing an accompanying guide to walk applicants through the form.

We have a tendency to ask for too much, and applicants have a tendency to submit too much. Encourage applicants to limit submissions to the requested application materials only. During the review, you can always ask for further information.

Alternative Form

Find a format and length that you are comfortable with. It doesn’t have to be a standard application form.

Several community foundations require applicants to complete a cover page and budget form. Then applicants provide additional information by responding to a series of questions. These questions are organized according to whether the application is for a project, capital items, or both. (E.g. Capital – “Describe the user training requirements, ongoing support & maintenance requirements.”)

*TIP* Help your applicants avoid hand-writing or typing their applications.

- Consider offering the form on computer disk, through e-mail, or a Web site. OR
- Make it clear that the application can be prepared on computer, by simply following the format and headings provided on the form.
- If accepting applications prepared by computer, ensure the submission is limited to a maximum number of pages in a specified, legible type size.
B3. FUNDING GUIDELINES

A community foundation that has gone through the process of establishing funding policies, strategic priorities, and application procedures is now in a position to package these into funding guidelines for public distribution. It is worthwhile to spend the time necessary to develop good guidelines, since they function as a key information and communication tool. Furthermore, future revisions will be simplified if you think them through now.

Why are they Important?

Clear, well-written guidelines are important for several reasons:

- They serve to inform potential applicants about basic eligibility and the foundation's funding interests. Applicants are then able to determine if there is a fit between their needs and the foundation's mandate and priorities.
- Written guidelines offer time savings to both the applicant and the foundation by "weeding out" those that are clearly ineligible. This offers some control on demand.
- Written guidelines help the foundation make grantmaking decisions that are consistent, inclusive and fair.
- Any document distributed to the community sends a message about the foundation. As such, this material offers an opportunity for building a positive image and increasing awareness about the foundation.

What Information Should be Included?

A good set of funding guidelines provides the following information:

- **A "snapshot" of the community foundation** - Its mandate, mission statement, and founding date.

  *Note: See p.30 for further information about eligibility. For sample guidelines regarding supporting an organization that does not have a charitable number, see Part D.*

- **Basic eligibility** - Who is and is not able to apply for funding within a specified geographic area (e.g. registered charitable organizations, not individuals).

  *Note: See p.30 for further information about eligibility. For sample guidelines regarding supporting an organization that does not have a charitable number, see Part D.*

- **Funding areas** - The fields of interest (e.g. health, arts, children), and specific issues or priorities that the foundation supports (e.g. prevention, leadership, reducing violence, cultural diversity).

- **Types of activities** - The purposes for which grants may be given (e.g. capital projects; matching or challenge grants).
• **Low priority or ineligible activities** - Requests that are not usually considered. For example:
  o core funding
  o scholarships
  o deficit reduction
  o travel costs
  o political or religious activities
  o fund-raising campaigns
  o retroactive funding
  o scientific research

• **Important features** - What the foundation looks for in a project / organization, and tips for the applicant to consider. For example:
  o demonstration of a strong board
  o projects that do not duplicate others
  o fiscal responsibility
  o volunteer participation
  o collaboration community support
  o inclusiveness

• **Application process** - Explanation of procedures for submitting an application. Remember to include how many copies of the letter of intent and/or the application form the applicant should submit.

• **Deadlines** - Dates for receiving applications, if applicable. Otherwise, a statement regarding the process of ongoing intake.

• **Review process** - Explanation of the foundation's process for reviewing and approving grants.

• **Approval dates/timing** - Indication of when the applicant will be informed of the foundation's decision (e.g. by a specific date or within 'x' weeks of the application deadline).

• **Grant range** - Some foundations may want to include the average amount awarded, or an indication of the typical grant range (e.g. under $5,000).

• **Expectations of grant recipients** - You may want to indicate what the foundation expects after a grant has been awarded (e.g. reporting requirements, evaluation, dissemination, public recognition).

• **Contact person** - Who potential applicants should contact for further information or to obtain application forms. Include mailing address, street address (if different), phone/fax numbers, and e-mail address (if applicable).

• **Other information** - Some foundations choose to provide additional information about their values, policies, structure, and activities.
Remember

It is important that your guidelines reflect your own foundation’s particular interests. These may be different from those of other community foundations.

For example, while many do not provide core funding, the Kitchener and Waterloo Community Foundation does (under certain conditions). In their guidelines they indicate that they consider the following:

- “operating budgets for embryo organizations meeting new or emerging needs;” and
- “funding which may become the determining factor in helping the continuation of a worthwhile not-for-profit organization.”

Considerations

• Consider the image and values that you want reflected in your foundation’s guidelines, and use an appropriate writing style. Do you want to convey an open, friendly quality or do you prefer a more formal style?

• Avoid jargon. Ensure that the language is clear and straightforward. Consider different literacy levels, and people for whom English is a second language.

• Keep it short (two to four pages). It is probably better to write less than more. Include only the most relevant information to guide the potential applicant. For example, rather than providing detailed information about the history and background of the foundation, consider a separate brochure.

• Pay attention to format and layout. Avoid a cluttered look. Make the key information stand out.

• Ask yourself if the guidelines will help attract applicants that closely match your foundation’s priorities and interests.

It's More Than Money . . .

Some foundations include information in their guidelines about their support role that goes beyond funding.

For example, the Kitchener and Waterloo Community Foundation added the following to their guidelines:

"Instead of, or in addition to a grant, the Foundation may offer the support of its Board, Committees and staff to provide expertise and enabling assistance."
More about Eligibility

Community foundations are able to fund organizations registered as charities under the Income Tax Act. Some applicants confuse their provincial incorporation number (i.e. as a society) with their federally registered charitable number.

A federal charitable registration number can be recognized as follows:

Until September 1998: A 9-digit number (7 digits followed by a dash, then 2 digits)
After September 1998: A 15-digit number (9- digit root, followed by RR and 4 digits)

Note: All charitable organizations will be required to use this new charitable business number. (Some have already converted.) If in doubt, check the list of Canadian Registered Charities on the Canada Revenue Agency’s Web site at www.cra-arc.gc.ca/charities or contact the CRA Charities Division at 1-800-267-2384.

The Income Tax Act requires that a grant recipient be a qualified donee. Qualified donees are:

• registered charities;
• registered Canadian amateur athletic organizations;
• registered national arts service organizations;
• housing corporations resident in Canada constituted exclusively to provide low-cost housing for the aged;
• the United Nations and its agencies;
• universities outside Canada listed in Schedule VIII of the Income Tax Regulations;
• charitable organizations outside Canada to which Her Majesty in right of Canada (the federal government or its agents) has made a gift during the charity’s fiscal period or in the 12 months immediately preceding the period;
• municipalities in Canada; and
• Her Majesty in right of Canada or in right of a province (that is, the federal government, a provincial government, or their agents).

In addition to the legal eligibility requirement of charitable registration, some community foundations choose to specify additional eligibility criteria. For example: “The applying organization must make services available without discrimination because of race, colour, creed, sex, age, sexual orientation, marital status or disability.”

For more information about eligible organizations, please see CFC’s Tips and Tools numbers 15 (August-September 2000) and 31 (March 2003), “Making Grants to Individuals or Groups That Are Not Registered Charities – Part II” and “Can Community Foundations Undertake Their Own Charitable Activities?” respectively. Both are available in the Members’ Area on CFC’s Web site at www.cfc-fcc.ca.
B4. COMMUNICATION: ANNOUNCING FUNDING PROGRAMS

Once you have developed application procedures and formulated your guidelines, the next thing to think about is letting potential grant applicants know about them. How do you go about announcing your deadlines and priorities? How do you call for proposals?

Community foundations communicate such information in a variety of ways, such as:

- Media releases to local newspapers, radio and TV and don’t forget ethno-specific media (See Part D for sample)
- Feature articles in community newspapers
- Annual reports
- Newsletters
- Web sites and e-mail
- Speakers’ bureau
- Community forums or meetings
- Through other organizations and funding agencies
- Targeted mail outs

For more in-depth information about communications, please refer to CFC’s Marketing & Communications for Canadian Community Foundations manual.

What One Foundation Did

The Thompson Community Foundation hosted a grant writing seminar featuring consultants from The Winnipeg Foundation and the Winnipeg Volunteer Centre. Not only did community groups acquire information about grant proposals, but they also learned all about the Thompson Community Foundation. It was a highly successful event that combined strategic communications with skill development.
B5. ADMINISTRATION / REVIEW PROCEDURES

So you've successfully announced your grantmaking program. You've distributed your guidelines and forms. The application deadline has passed, and you face a pile of completed application forms. Now what?

Of course, much depends on the size of your foundation, and the available volunteer and, possibly, staff resources. Notwithstanding individual circumstances, the procedures that follow should apply to most community foundations. (See also p. 36 for Tasks/Responsibilities worksheet)

Note that grants administration is simplified with a computerized grants management system. Most foundations are using computers for at least some of their activities, although they do not all have integrated systems. (See p. 35)

Step-by-Step procedures

- Sort applications by project area (field of interest).

- If you do not use a letter of enquiry to screen potential applications, do a preliminary cut by asking:
  - Does the proposal fit our guidelines and meet our criteria?
  - Is it consistent with our funding priorities and interests?
  - Is the applicant a qualified donee?

  If the answer to any of the questions is 'no', put the proposal in the decline pile. Send a letter notifying the applicant. (See Part D for Sample Letters)

- For those that have made the "first cut," check for completion. Ensure that the applicant has completed all sections of the form and has submitted the necessary materials.

Remember

The demand for grants usually exceeds the money available.

Most of your review time should go towards applications to which you will likely say yes.

- If the application is incomplete or further information is required, contact the applicant. Some foundations have a form letter with a checklist to request additional information (See Part D). Others prefer to make personal contact either through a phone call or a meeting.
Once complete, develop a meeting agenda, number all applications, sort by different fields of interest (colour-coded, if you choose), and copy relevant parts of the application. (Some foundations reduce their need for copying by requesting that applicants submit multiple copies of the application form.)

Divide applications for assessment and review. Assessment procedures vary considerably among foundations, depending on volunteer or staff resources, the number of applications reviewed per year, and other factors. (See box to right for some possibilities.)

Send the meeting agenda and copies of all applications to the grants committee members. Aim to get these materials to them at least two weeks before the meeting date.

Each application is assessed accordingly. Some experienced grantmakers recommend that two people separately assess proposals. (See p. 38 - Grant Assessment)

The grants review committee meets and discusses each proposal against criteria and context. The committee makes a recommendation to support or decline each application, and usually proposes an amount to be awarded. It may also attach conditions to a grant. These recommendations are recorded in meeting minutes.

**Some Assessment Options**

**Option 1:** The Grants Committee Chair organizes and presents information on each file to the other members.

**Option 2:** Files are divided for review among committee members. Each member is responsible for assessment and recommendation of assigned projects, which s/he presents to the others at the grants meeting.

**Option 3:** In some staffed foundations, the same procedure as above if followed, only applications are distributed among staff for assessment and recommendation. Committee members receive copies of application materials and discuss staff recommendations at the committee meeting.

**Option 4:** Some staffed foundations distribute applications for review among committee members. The staff role is to screen and provide additional information at the committee meeting.

**Option 5:** Other options include assigning review to pairs of committee members, or having two people separately assess.
• The chair of the grants committee presents these recommendations to the board of directors for the board's approval.

• The board decision is recorded (i.e. meeting minutes).

• After the board decision, information is entered in each grant file to indicate the terms, conditions, and administrative requirements. While a computerized system is more efficient, this process can be done manually.

• The foundation sends a letter of approval or decline to the applicant. It includes details of the grant conditions and reporting requirements. (See Part D)

• In some cases, a foundation representative makes a personal call to communicate the decision. It is important to communicate the decision promptly (i.e. ideally within one week of the board meeting).

• Monitor the project, make grant payments when conditions are met, and ensure evaluation reports are submitted. (See p. 54)

At the project end, make closing notes to file.

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**Grant Terms and Administrative Requirements**

Terms and conditions of each grant should be entered in the grants management system (manual or computerized), and communicated to the recipient.

This includes such information as:

- Number of payments (usually 1 or 2)
- Payment schedule (e.g. 2nd payment six months after 1st)
- Reporting requirements (e.g. 2nd payment released after receipt of interim report)
- Grant conditions (e.g. contingent upon matching funds from community)
Computerized Grants Management Software

**What Can It Do?**

Grants management software can help with many activities, including:

- tracking grant proposals
- grant payments
- grant terms and conditions
- evaluation reminders
- notes from site visits
- compile data about types of grant, eg. capital, program
- track expenditure categories
- and more

Many community foundations have some form of grants management software. If you do not yet, it is worth thinking ahead to your future needs and plan accordingly. Even if your immediate needs are limited, you should start with a computerized grants management system that you can build on and that will work for you in the future. Try to avoid the common pitfall of ending up with obsolete or incompatible software as your foundation grows.

There are several grants management system options to consider:

1. **Off-the-shelf software** – New and emerging community foundations can have many of their grants management needs met through off-the-shelf software – spreadsheets and database programs. The advantage is that often these programs are part of an integrated office system software package that will allow you to work with your word processing and accounting programs. Furthermore, the data can be easily converted as a community foundation upgrades or moves into any of the other software options.

2. **Customized software** – Some community foundations have either developed on their own, or received as in-kind donations, customized software for their grant tracking. Initially, these products can be quite useful. However, community foundations need to consider the rapid change in technology, their own growth, and the cost to maintain and upgrade such a system. Another consideration is the software’s compatibility with word processing, accounting or other software needs.

3. **Foundation Information Management System (FIMS™)** — FIMS™ is a fully integrated system. It was designed by NPO Solutions specifically for community foundations in the U.S. Several of Canada’s large community foundations, including Toronto, Ottawa, Edmonton, and Winnipeg, use FIMS™. Vancouver Foundation uses a customized version of FIMS™ called Foundation Power™. FIMS™ is a powerful database that integrates data between its modules, such as fund development, donor and gift management, accounting, as well as grant management. As top-of-the-line software, it is the most expensive option, and probably quite unnecessary for small community foundations.
Worksheet: Tasks/Responsibilities

The following worksheet provides a basic outline to help foundations identify who will do what in administering and delivering the grantmaking program. Activities will vary depending on the size and developmental stage of the foundation.

<table>
<thead>
<tr>
<th>Action</th>
<th>Resp.</th>
<th>When</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide information to the public; send out guidelines</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Respond to letters of enquiry; conduct preliminary screening</td>
<td></td>
<td></td>
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<tr>
<td>Send application forms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receive application forms; acknowledge receipt</td>
<td></td>
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<tr>
<td>Check applications for completeness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact applicant if application is incomplete</td>
<td></td>
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<tr>
<td>Sort applications by project area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number applications; copy relevant information</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Develop agenda for grants review committee meeting</td>
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<td></td>
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<tr>
<td>Code applications (for those with computerized systems)</td>
<td></td>
<td></td>
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<tr>
<td>Send applications to grants review committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assess applications (review, analysis, site visits, meetings, consultations)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Present grant recommendations to grants committee members</td>
<td></td>
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<tr>
<td>Present committee recommendations to board for final decision</td>
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<tr>
<td>Record decisions at committee and board meetings</td>
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<td></td>
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<tr>
<td>Send letters of approval or decline after board decision</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enter terms, payment schedule, reporting requirements in system</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Send out minutes of meetings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitor grants (reviewing progress reports, site visits, etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Make grant payment(s)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ensure applicant submits interim and final project evaluations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review evaluations and close files</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Tips to Streamline the Grantmaking Process

To make grantmaking as efficient and effective as possible, here are some tips to make the best use of the foundation's resources:

- Be specific about your priorities. State clearly what you do and don't fund.
- Publish review criteria. Be clear about your expectations.
- Inform applicants of annual funding and average grant amounts so requests are appropriate (e.g. maximum grant for equipment; grants awarded last year compared to requests).
- Consider having a two-tiered process based on the size of the grant request (e.g. less information required for grants under $5,000)
- Require appropriate information. Decide what you need to know for good stewardship.
- Limit the number of grantmaking cycles.
- Use a letter of intent.
- Have a standard application form.
- Work with other funders to develop common application and budget materials.
- Require applicants to submit multiple copies (enough for the review team).
- Sponsor a Grant Application workshop(s).
- Establish a quick decline system for grants that do not meet priorities or criteria.
- Develop a grants analysis checklist. (See p. 40)
- Use standard reply letters or postcards to respond quickly to the receipt of applications or enquiries.
- Keep a running log for year-end statistics. Include the number of inquiries, applications, grants awarded, grants declined, total requested, and total awarded. Analyze whether your grants reach the whole community.
B6. GRANT ASSESSMENT

What is Involved?

Below we describe what is usually involved in assessing a grant application prior to the grants committee meeting. We provide these procedures since they reflect good grantmaking practice. However, we realize that your resources will dictate the extent to which you can do everything mentioned.

The amount of time spent on assessment varies considerably among foundations. Here again, it is a matter of available resources, whether you have any staff, the degree of involvement of your volunteers, and how much preparation time you have before committee meetings.

Whether you are a staff member or a volunteer, the following describes recommended assessment procedures.

- Review the grant application, and note your questions, comments, or need for further information.

- Assess the organization and the project against your review criteria. (See p. 40 Grants Analysis Checklist)

- Contact the applicant to discuss the proposal and obtain answers to questions. This may only require a phone call, or it may involve a meeting. While desirable, it is seldom possible to meet with all applicants. Therefore, prioritize the more complex projects, or those where you benefit from seeing the need firsthand through a site visit.

- Try to do as many site visits as possible. They often provide the most valuable information. Note that sometimes you will have met with the applicant on site before the application was submitted.

- If you have staff who are doing site visits, encourage grants committee members to accompany them from time to time.

- Do community consultations. You may receive the names of people to contact as references from the applicant. It is important to get feedback on a project by talking to other funders (government, corporate, other foundations), community leaders, informed citizens active in the field, other community organizations, consumers or service clients (if appropriate).

- If the foundation has funded the applicant organization in the past, review the funding history, and check previous funding files.

- In some foundations, staff prepare a brief report which provides a written summary of their assessment. (See Part D)
* TIP *

Going over the application with the organization provides an opportunity to clarify information, get further details, and "fill in the blanks."

An in-person meeting is always helpful. It gives the foundation "a human face" to the community, and the foundation gains insights that often cannot be conveyed in writing.

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**An Individual Perspective**

All grantmakers have their own review styles and particular interests. In assessing an application, there are many questions that can be asked. Choose to ask those questions that are relevant to you and to your foundation.

Example: One grants committee member assesses applications by asking the following questions:

1. Is the project worthwhile?
2. Is it substantive?
3. What is its impact?
4. Is there clarity in the application?
5. Is the plan of action an appropriate means to the end?
6. Is the application of high quality?
7. Would we be getting a sufficient "bang for the buck"?
Grants Analysis Checklist

For a reviewer to make an objective and fair assessment, it helps to have review criteria or guiding questions. The following checklist provides a series of questions to ask about both the organization and the project. See also Part D for different samples used by community foundations.

Assessing the organization

- What is its mission? Does the foundation support this type of organization?
- What is its track record? Has it previously received funding?
- Who is on its board of directors? Is the composition appropriate?
- How strong is the board/senior management?
- Does the organization support diversity through its programs, board/committee composition, work environment, etc.?
- What do the financial statements reveal? Is there a deficit? If so, how large, and is there a deficit reduction plan in place? Is there a surplus? If so, how large, and what is it for? Does the group really need this funding? (Be careful not to make false assumptions. Often a surplus is earmarked for a capital purchase. Or it may constitute an operating reserve — a sign of good management.)
- What is the staff/volunteer ratio? Does it seem to use volunteers effectively? How is the organization perceived in the community? Does it have broad support?
- Does the organization have the capacity to take on this project?

Remember

It is impossible to be totally objective. But it is possible to be fair.
Assessing the project

- Is the project congruent with the organization's mission?
- Does the project address priority issues (as identified by our community foundation)?
- Will it meet a demonstrated need?
- Are the goals and activities described clearly, and the plan viable?
- Are the project beneficiaries involved in the planning?
- What will be the benefits to the community? How many people will be served? What will be the long-term impact?
- If it is a pilot project, how is it demonstrating a new approach? What makes it different from similar initiatives?
- Is there a well-designed plan for evaluation? (See p. 54)
- Is there a plan for dissemination and utilization? (See p. 60)
- Do the people involved have the necessary qualifications and experience to undertake the project?
- Will there be significant volunteer participation?
- Does the project have the support of other organizations and funders?
- Is the organization collaborating with other community agencies?*
- Is the organization respectful of diverse groups in the community?
- Does the project complement existing services, or will it create competition and unnecessary duplication?

* Principle 4: Developing Partnerships
Since more can be accomplished when we act together, we will form, encourage and support partnerships among individuals, neighbourhood and community groups, service clubs, foundations, professional advisors, businesses, governments, the media and others, based on shared vision and mutual responsibility.
• In capital projects, what is the status of building and development permits? What will the effect be on on-going operating costs? Will maintenance or replacement costs be budgeted for?

• Is the budget realistic? How does the cost compare to other similar projects?

• If we do not fund the full amount requested, will it compromise the project? Are there adjustments the organization could make?

• Could we provide something other than dollars? Advice? Equipment? Meeting space?

• Will our support provide leverage to bring other funders in? Are we playing a lead funding role?

• Are there other funding sources, or is the organization "putting all its eggs in one basket"? Is any other funding confirmed?

• Should we attach specific terms and conditions to the funding? (e.g. making the award conditional upon the organization receiving the balance of required funding)

• Will this grant provide an opportunity to raise the profile of the foundation or increase partnership with a population that we have wanted to reach?

• Will the project increase community resilience? How does this project build community capacity?*

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* **Principle 1: Building Community Capacity**
We will nurture and build on our community's strengths and assets. Communities are strengthened by initiatives which increase the capacity of organizations and individuals to respond to challenges and opportunities, develop local leadership, promote self-reliance, emphasize prevention and mobilize civic participation and resources.
Some Issues of Concern to Grantmakers

Grantmaking is not an easy business. There are many issues with which grantmakers struggle in their decision-making and operational activities. Here are some common ones.

Operating costs

Whether to provide operating funding is an ongoing issue for many foundations. There are conflicting considerations, including the strong community need, yet the impossibility of responding to all; the jurisdictional debate over stepping into what was traditionally government territory; and the realization that community organizations need longer-term stability and operational support to build capacity, as responsibilities shift. In light of the new reality, those foundations in a position to consider core (and even multi-year) funding are examining past policies that ruled out such support. Some see strategic operating funding as a necessary means of improving the quality of community life.

Foundations that have decided not to provide operating support sometimes face the dilemma of whether to fund a pilot program that will later lead to a need for operating dollars. They wonder if it is fair to start something up when there are few viable options to sustain it. On the other hand, they reason that some things are worth funding even if the future is uncertain.

Salaries

Related to the issue of operating costs, some foundations wonder whether to pay salary or honoraria expenses. They acknowledge that some projects cannot take place without a paid convener or staff person, yet they are reluctant to open the doors to these kinds of administrative costs.

Innovation

Debate rages over the funding of “innovative projects” at the expense of existing programs. People recognize the importance of supporting new and creative ideas. At the same time, they encourage their foundations to leave room for programs that may not be original, but that work. Forcing grantees to be on a constant quest for originality does not always serve the community well in the current environment of downloading and cutbacks. (See also p. 57)

Funding controversial organizations

Grantmakers are often forced to decide whether to support an organization about which public opinion is divided. Similarly, foundations must consider their position when an organization with policies that conflict with the foundation's values submits a project that would otherwise be eligible.
Advocacy groups

Some grantmakers question whether they should support advocacy organizations, or if they should focus on those that provide a direct service to the community. Others believe that advocacy groups play an important role in a democratic society, and that they contribute to advancing key social policy matters for public debate. As such, they offer another vehicle for improving the quality of community life.

Setting precedents

Questions often arise when deciding to support a project that is worthwhile, but sets a precedent. A foundation needs to consider the wave of demand that may be created by this action, and decide whether they are prepared to open the floodgates.

Community Economic Development

Some community foundations view CED as holding great potential as a vehicle for improving the local economy, increasing community self-sufficiency, and promoting citizen participation. They see these activities contributing to community well-being, and therefore within the mandate of a community foundation. However, others maintain that supporting economic development is outside the purview of a foundation, too costly, and that it is too complex an area to fund effectively. Since it is a field that requires specialized expertise, and given the wide range of effectiveness in CED initiatives, community foundations may not feel they have the skills to make adequate assessments.

Partnering with donor-advised funds

One creative way to make the best use of limited unrestricted funds is to seek partnership with donor-advised funds on a given project. However, grantmakers sometimes question how to do this effectively.

Balance

Another concern is that the foundation is allocating funds primarily in one area, usually social services. Often foundations see the most pressing community needs lying in the social services area, yet they realize that the foundation has a broader mandate. Grantmakers are looking for ways to obtain greater balance in funding across fields of interest.

“We are decidedly moving the line from social problems to social capital, looking at communities holistically and therefore investing broadly in recreational opportunities, environmental support, and community arts, as well as in social issues.”

(Julie White, Executive Director, The Trillium Foundation, 1998)
How to Be a Great Grantmaker – Tips from the Experts

1. Make grants across the spectrum of community needs and interests. Remember that it is a hallmark of community foundations to support a range of fields of interest. Do all citizens see the community foundation as relevant to their concerns?

2. Ask if applicants are serving new segments of the population. Programs tend to settle in and serve the same people. Shake this up by asking them to consider new or underserved parts of the community.

3. Fund collaborations. The experience of collaborating builds community capacity, encourages involvement, and brings new perspectives and resources to initiatives.

4. Invest in the pockets of creative energy in your community. Look for the projects spearheaded by those visionaries and leaders who bring good ideas to life.

5. Get out into the community, and become acquainted with the grassroots people who get things done.

6. Do not underestimate the power of a small grant. Often it is not the size of the award that is critical. It is the timing if it is available when needed, and the credibility it lends an organization. A foundation grant, particularly in the early stages of fund-raising, can help lever other funding.

7. Look for the big thinking in a small request.

8. Realize that you are in the risk-taking business . . . and do it. Take risks, accepting that there can be no guarantees with grantmaking. Be tolerant of failures when they occur, since they provide opportunities for learning. Be open to new approaches and venturing into uncharted territory. Some of the best grants are the riskiest. (See box p. 47)

9. See yourself as a partner with your grantees. It is important to develop a feeling of trust. Be accessible. Encourage communication between the foundation and the grantee in order to be on the same wave length and to strengthen projects.

10. Use challenge grants to leverage funds.

11. Ask what the impact of a project will be in the community.*

*THINK ‘IMPACT’

“This moves us away from funding new water heaters and fixing the roof to more substantive undertakings. It is hard to measure impact, but we know it when we see it.”

(Bill Somerville, Grantmaking consultant and President of Philanthropic Ventures Foundation, Menlo Park, Calif.)
12. Encourage the telling of great grant stories to your board, your donors, and the community at large.

13. Do a session on strategic grantmaking with the members of your board and grants committee(s), and staff (if applicable).**

14. Find opportunities to be proactive or interactive. Such activities may be occasional or exceptional, but they keep the foundation healthy, vibrant, and "tuned up".

15. Acknowledge bias in discussing and recommending grants. Take a quick inventory to assess the diversity within your community foundation.***

16. Find ways to encourage and develop creative thinking by applicants. Ask if projects are the products of original thinking or are knee-jerk responses to crises or problems.

17. Always ask yourselves “what more could we be doing?”

18. Help applicants find other grantmakers who are active in the applicant’s field of interest.

19. Hold a grantmakers symposium to find out who funds in what areas, where their funds come from, and to encourage partnering on projects.

**Example

The Calgary Foundation held a half-day planning session with 30 advisory and grants committee members. The session focused on making strategic granting decisions. It resulted in a committee developing guiding principles, committee priorities, and terms of reference.

***See CFC’s “Diversity Scanning Tool for Community Foundations.” This resource is available in PDF on CFC’s website www.cfc-fcc.ca.
On Risk-Taking

Take Calculated Risks

Assessing an organization and its project involves a combination of rational analysis and "going with the guts."

Sometimes the track record just isn't there. The organization's financials look pretty bleak. And the project involves working with a challenging and unstable population. But you believe they can do it. Maybe there is a particularly inspired and committed project leader. Maybe there is the prospect of the project really helping people in need of help themselves.

This was the case with a Vancouver Foundation project working with Victoria's street community. Despite some weaknesses, the Foundation took a chance and supported the Victoria Street Community Association’s project to establish a ReUse Centre for used building materials. It turned out to be a highly successful initiative that has provided jobs, skills, and confidence to street people while diverting waste from landfill sites.

This experience underscores the fact that grantmaking involves using both the head and the heart in making an assessment.

“If we want to build community capacity, we need to have a taste for experimentation, and a tolerance for mistakes, false starts, and steep learning curves.”

(Julie White, Executive Director, The Trillium Foundation, 1998)
B7. GRANTS REVIEW COMMITTEE

How you structure your grants review committee(s) is up to you. Here are three possible models from which to choose.

Model 1
- Board members only
- Usually for those foundations in the earliest stages of development when the board needs to be "hands on"
- Advantage: Board members are in touch with all aspects of the foundation's operations.

Model 2
- Combination of board and community volunteers
- Often for those in the next stage of development
- Advantages: Expanded community input; greater diversity of opinion; training ground for new board members. (Sometimes it is easier to get volunteers to make a commitment to a committee than a board.)

Model 3
- Advisory committees for each of the foundation's fields of interest
- Composed of community volunteers, chaired by a board member
- Advisory Committee chairs form a board committee to authorize the recommendations from each committee
- For larger foundations
- Advantages: For foundations reviewing large numbers of grants, it distributes a manageable review load to volunteers across different committees; enables the recruitment of members specialized in a field of interest

Another Model

The Community Foundation of Ottawa has a unique model.

It uses other funders as advisors to complement board members and community volunteers with special expertise. These other funders include representatives from United Way, government, and private foundations.

Only the community volunteers are voting members.
Composition of a Grants Committee

- Collectively, committee members should have knowledge and experience in the foundation’s funding areas.

- It is important to seek out individuals who bring a variety of backgrounds and perspectives to the table.

- Committee members should reflect the diversity of the community. Consider gender and demographics to ensure a balanced and inclusive committee.*

- For those establishing separate committees for different fields of interest, it is important to recruit people with specific expertise in that committee's activity areas.

* Principle 5: Reflecting Diversity and Fostering Renewal
We believe there is strength in diversity and that our communities will be better served when we understand different points of view and engage the broader community in our deliberations and decision-making.

Remember
You learn as much from the things that don't work as the things that do.

Encourage organizations to see evaluation as a learning opportunity, not a report card. Ask them to reflect candidly on what aspects did not turn out as planned, and why not.
Grants Committee Activities

Although their primary role is grants review, committee members may engage in a range of activities, including the following:

- Review of letters of intent, or list of applications previously screened by staff
- Application assessment
- Site visits
- Follow-up monitoring and evaluation
- Group discussion of key social issues and community concerns (with or without invited speakers)
- Participate in a diversity scan of the community and committee by using CFC’s *Diversity Scanning Tool for Community Foundations*
- Orientation and training of new members (usually by the committee chair and/or staff)
- Strategic planning and review of policies/funding

As mentioned previously, it is a good idea for the committee to examine its policies, procedures, guidelines, funding patterns, and priorities on an annual basis. This enables the committee to incorporate the learnings from the previous year and to respond to community change.
Orientation and Training

Some foundations find it useful to schedule an orientation session for all board and committee members on an annual basis. This provides an opportunity to familiarize new members with the foundation’s activities, to deepen knowledge and understanding among existing members, and to share information across the foundation.

Such an orientation might include the following:

- Introduction to a community foundation
- The foundation’s history, structure, values
- Policies and procedures
- Strategic and operational planning
- Funding guidelines, priorities, and forms
- Types of funds, and gift options
- Financial management/capital investment
- Conflict of interest policy (see next page)
- Other orientation activities, such as accompanying an experienced committee member or staff person on a site visit.
Conflict of Interest

It is important to advise committee members of the foundation's expectations with respect to conflict of interest. They need to know how to handle situations where they may have a conflict of interest with a project under consideration.

Sometimes such conflict of interest may be obvious (e.g. if the committee member is Executive Director of the applicant organization). However, it can also be more subtle (e.g. if the committee member sits on a subcommittee or is involved in fund-raising for the applicant organization). If it is a grey area, it becomes a judgement call as to whether the matter should be considered conflict of interest.

Generally, when a member of the grants committee feels that s/he may have a conflict of interest, that person offers to leave the room while the proposal is under consideration. The committee then decides whether the member should leave the room. If the member remains in the meeting, s/he does not participate in discussion of the proposal unless asked a direct question. The member abstains from voting on the proposal. The minutes reflect the conflict of interest declaration and action.

Conflict of interest situations are to be expected when a foundation has sought out active community representatives to serve on its committee(s). In fact, if your committee members never experience conflict of interest, you might ask why not?
Questions to Consider in Establishing a Grants Committee

- Should we seek United Way representation?
- How many members should we have? (Ten seems to be a rough average.)
- Is the committee reflective or the community?
- How many members will we need for a quorum?
- What should their terms be?
- What should the rotation schedule be? Should we bring new members on at the end of a grants cycle when the previous year's program is being reviewed and the new one planned?
- How many meetings should be scheduled in a year? For grants review only? Have we remembered a planning meeting? What about awareness and information-sharing on current issues?
- How will the committee reach a decision? By consensus? Majority vote? Using a scoring matrix?

Remember

Establish terms for your committee members (usually three or four years).

Stagger terms so you maintain continuity and historical memory of funding decisions.

While it is hard to see good people leave, this policy is in the best interest of keeping grantmaking fresh and vital.
B8. GRANT MONITORING AND EVALUATION

Good grantmaking is not only about making grants. It also involves monitoring progress, following up and learning from individual projects.

Monitoring and Evaluation – What’s the Difference?

Monitoring — is about accountability. It is keeping track of grants to ensure that funds are spent as intended, and that activities are progressing in a satisfactory manner. At the project conclusion, one monitors to ensure that a final report is submitted.

Monitoring activities include: visiting the organization, attending funded events, reviewing interim reports, receiving verbal or written project updates, having telephone contact with organizational representatives, negotiating modifications to project plans, and attending receptions, ground-breakings, and social events.

Evaluation — is about learning, for both the grant recipient and the foundation. It helps build capacity and effectiveness by learning from experience. Formative, ongoing program evaluation permits the grantee (and the foundation) to make improvements as a project progresses. Such mid-course corrections enhance opportunities for success, and contribute to greater program effectiveness.

**Formation evaluation**

Formative evaluation refers to evaluation activities that take place during the planning and operation stages, or while the project is forming. It provides useful information to enable adjustments and improvements as the project is implemented.

Summative (final) evaluation analyzes what has worked, and what has not. Insight into factors contributing to project success helps the foundation (and the organization) to make good decisions in the future. This learning leads to continuous grantmaking improvement for the foundation. Sharing evaluation results helps others benefit from the experience, and enables the foundation to tell its story.

**Summative evaluation**

Summative evaluation refers to activities that provide summary information about the outcomes or results of a project after activities have been operating for some time. It provides an assessment of a project’s effectiveness and value.

* Principle 8: Evaluating and Sharing Results
We will evaluate our activities to improve our skills and knowledge and we will share key findings with others.
How do Foundations Support Evaluation?

- Require project evaluation as a condition of funding. The recipient organization generally undertakes its own evaluation, and then submits progress and/or final reports to the foundation.

- Some organizations hire outside evaluators to conduct the evaluation. However, in most cases, an evaluation can be done using existing resources. To this end, it is helpful for foundations to develop evaluation guides and forms to assist grantees with self-evaluation, or to refer them to other sources of information on evaluation*. (See Part D)

- In major projects, where evaluation requirements are more extensive, foundations may invite the applicant to build the costs of evaluation into the grant application.

- Foundations should look at their own activities as well as those of their grantees. It is important for foundations to routinely evaluate their funding programs by examining results against objectives.

*Remember

You learn as much from the things that don’t work as the things that do.

Encourage organizations to see evaluation as a learning opportunity, not a report card. Ask them to reflect candidly on what aspects did not turn out as planned, and why not.
Evaluation: Starting Out

Many foundations feel they lack the resources to evaluate grants. However, evaluation does not have to be complicated, expensive or require outside expertise. Evaluation plans should be reasonable, and consistent with the nature, scope, and duration of the project.

Here are some tips to get started:

- You do not have to evaluate every grant. The foundation should distinguish between its need for basic financial reporting (e.g. for capital equipment), and its interest in deeper analysis (e.g. the outcomes of a demonstration project). Decide on evaluation requirements when you make the initial funding decision. This can range from “no evaluation required” to “ongoing follow-up” or “interim/final evaluation report(s) required.”

- Begin with a few key grants. Select those that are innovative, involve risk, require multi-year funding, or that will have wide benefit to the community.

- Develop a self-evaluation form with a few key questions, and send this form to selected grant recipients. (See p. 57)

- If it is useful, prepare a follow-up plan for each grant using the outline provided in Part D.

- Host a meeting of grantees. Invite them to share their perspectives on the strengths and weaknesses of their projects.

- In follow-up site visits with organizations, collect anecdotal evidence of success. Ask what they learned and what they would do differently.

- Discuss definitions of “success” within the foundation, and with grantees.

- Go back and look at one (or several) of the first grants you made. Examine the long-term impact.

- Do a year-end analysis of your foundation's funding. Crunch the numbers in as many ways as possible. Examine how many grants matched your priorities and funding interests, and how effective they were.

- When evaluating your own grantmaking activities, consider evaluating clusters of grants (e.g. youth, or seniors’ projects). Try to identify common themes and characteristics that made projects successful or not.
Evaluation Tip

Here is a simple but creative evaluation tool that shows how evaluation can take many forms.

- Send selected grant applicants a disposable camera (at a cost of approximately $10).
- Ask them to take photographs and to submit them to the foundation.
- Request that the organization provide the “project story” by writing several sentences with anecdotal and descriptive details for each picture.

The photographs can serve other purposes beyond project evaluation. They can be used in the foundation’s annual report, made into slides for an annual meeting, assembled into a story board for presentation to the board or grants committee, blown up into posters, or simply posted around the office as reminders of the results of the foundation’s grants.
Self-Evaluation Questions for your Grantees

It is helpful for community foundations to provide grantees with some questions to guide their evaluation activities. The following provides a framework for the development of a standard self-evaluation form for the use of your grant recipients. Select the questions that are relevant to your foundation, and offer them as guidelines to support evaluation and to outline your expectations for the final report. (See also Part D)

I. Basic

1. What did you want to accomplish?

2. What did you accomplish?

3. How do you know?

4. What did you learn?

5. What were the expenditures and revenue? (Attach a financial report.)

II. Expanded

6. What worked well? What didn't? Why?

7. Were there any unexpected results?

8. Did the project reach the people it was intended to serve?

9. Did you collaborate with other agencies? Were any new partnerships created?

10. Who will you share your evaluation findings with?

11. Did you receive advice or support from foundation personnel that helped shape the project or that added particular value?

12. Will the project continue? If so, how will it be funded?
Evaluating your Grants Program

As with the evaluation of individual grants, any plan for evaluating your overall grantmaking program should be reasonable and realistic. It should take into account the size of your foundation, the human resources and the time available. It is important to identify who will be responsible for organizing and undertaking the evaluation. Will it be staff? The chair of the grants committee? The board chair? Another board member? Will you hire someone to do the evaluation, or do it yourselves?

To evaluate your grantmaking program in the context of your overall activities, answer these three questions:

1. What did we say we were going to do? (i.e. Our objectives for the year)
2. What did we do? (i.e. How did we stack up against our objectives?)
3. What did we learn?

What One Foundation Does

The Kitchener and Waterloo Community Foundation set these objectives for 1998. They provide the basis for a retrospective analysis at year-end.

1. Assess the previous year’s funding accomplishments.
2. Review (annually) funding priorities to determine if changes are needed.
3. Monitor composition of grants committee to ensure appropriate community knowledge and expertise.
4. Play a role in determining communications to the community (annual report & celebration).
5. Stay abreast of foundation activities.
6. Meet annually with donor-advised, designated, and field-of-interest fundholders to provide orientation and opportunity to share information.
7. Offer to provide enabling assistance to organizations instead of or in addition to a grant.
B9. DISSEMINATION AND UTILIZATION

In recent years, some community foundations have examined their tendency to focus support on “innovative” projects. Usually this has meant trying a new approach to a community problem, testing some uncharted waters in the social services ocean. While this continues to be vitally important work, grantmakers are also acknowledging the value of supporting existing programs that work.

Part of this debate has to do with building organizational capacity, and supporting effective organizations to do their community work rather than forcing them into ongoing quests to do something different. But the other part of the debate centres on expanding our definitions of “innovation” to encompass the creative process of adapting a program used in one locale or with one organization, for use in or by another. In efforts to support this process of adaptation, community foundations are paying more attention to dissemination and utilization strategies, so that good projects may serve as models to other organizations.

Definitions

There are many definitions and interpretations of terminology associated with dissemination and utilization. The following excerpts are adapted from Vancouver Foundation’s Information Kit on Dissemination and Utilization.

**Dissemination:** *Activities undertaken to document and distribute information about a successful program with the aim of facilitating its adoption in another setting.*

**Utilization:** *The transfer, adaptation and implementation of an effective program in a new locale. It is utilizing knowledge gained by piloting a program in one setting and extending it to another one.*

What are these Activities Important?

Community foundations are increasingly aware of the value of effective dissemination and utilization strategies for demonstration projects. These activities are important for the following reasons:

- Dissemination and utilization is all about sharing promising practices and good ideas so others can learn from them. In the current environment of fiscal restraint and heavy service demand, it makes sense to build on the ideas that we know work, and avoid sacrificing the tried-and-true projects on the altar of novelty.

- Deliberate dissemination and utilization strategies help move a foundation from supporting only the testing of promising models, to the application of those models in other settings. Both testing new ideas and applying old ones elsewhere are important.
Foundations want to get the "biggest bang for their bucks." They want as many organizations as possible to benefit from potential models. The adaptation of successful models elsewhere provides the foundation with a greater return on its investment of grant funds.

It is in the best interests of the community to develop new services without reinventing the wheel. Adapting the good ideas of others can save time, effort and money. It is all about making maximum use of existing resources.

**Getting Started**

Some community foundations wanting to venture into dissemination and utilization activities are not sure where to begin. A good starting point is simply to talk about it. Begin with internal discussions among board, committee, and staff members (if applicable). Ensure there is a basis of common understanding and a commitment to go further. Such discussions should explore the multiple ways in which your foundation could support dissemination and utilization.

You may wish to extend this dialogue to the community. If so, consider holding a public meeting with a guest speaker to share information about dissemination and utilization. Invite other funding bodies and community agencies from your area.

The most effective strategies to support dissemination and utilization are directed both **internally** (actions within the foundation itself) and **externally** (by grant recipients and by the foundation). The philosophy and practice of dissemination and utilization should be integrated into the foundation's activities.

One part of a dissemination strategy that can be readily implemented is regular communication with board and committee members about foundation grants at work in the community.

Another activity is to constantly look for ways to share stories, ideas, and inspiration.

Encourage those applicants with "D&U potential" to think about it from the start. Obviously, not all projects are candidates for dissemination and utilization. But, if a foundation is supporting a pilot project that could serve as a useful model to others, encourage consideration of a strategy early on, so resources such as training manuals can be developed. Ask those key applicants for dissemination plans.

You may wish to provide advice and resource materials on dissemination and utilization strategies to applicants that are piloting projects, and to those that are adapting models from elsewhere.

Supporting the effective dissemination and utilization activities of grant recipients requires resources. Organizations need to assess the costs of technical assistance, training, and support. Foundations have to plan for those additional expenses when funding promising demonstration projects.
B10. PUBLICIZING EFFECTIVE GRANTS

Community foundations of all sizes benefit from maintaining good public relations and communicating the effects of their grantmaking to the community. People get to know about the foundation through the projects it supports. Not only do well-publicized grant stories raise the foundation's profile, but they also contribute to successful fund development. They let current donors know the tangible results of their giving, and they inspire potential new donors with real life success stories.

Here are some ways for community foundations to publicize their grantmaking:

- making publicity a condition of funding for grant recipients
- media relations (local newspapers, radio, TV)
- broad distribution of the annual report and newsletters
- through Web sites and e-mail
- inviting donors to visit project sites
- sending notes of appreciation to donors, with information about funded projects
- establishing a speakers' bureau, with community foundation representatives available to speak to interested groups
- presenting grant cheques in person
- bulletin boards in public places
- mailings to the community
- annual celebrations
- advertising campaigns
- "the grapevine" - word of mouth

For more in-depth information, please refer to the CFC's Marketing and Communications for Canadian Community Foundations manual.

Creative Idea

The Sarnia Community Foundation printed business cards for board members, with recent grants printed on the back. This serves as a constant reminder of the business the foundation is in . . . and always gives board members something to talk about with prospects.
B11. OTHER RESOURCES


Web Resources


McConnell Foundation and Mitsubishi Electric websites for Dissemination resources; [http://www.mcconnellfoundation.ca](http://www.mcconnellfoundation.ca) , [http://www.mitsubishielectric.com](http://www.mitsubishielectric.com)

Vancouver Foundation. “Profiles in Community Capacity”, [http://www.vancouverfoundation.bc.ca](http://www.vancouverfoundation.bc.ca)
PART C – GREAT GRANT STORIES

COMMUNITY FOUNDATION OF OAKVILLE (ONTARIO)

Project: “Baby Think it Over”

Great grantmaking does not require distributing large amounts of money. Some excellent projects are made possible with just a modest injection of funds. Such was the case when the Community Foundation of Oakville made a grant of $1,150 to a local high school for its "Baby Think it Over" project.

This grant enabled the purchase of two "infant simulators" – electronic babies that require feeding, changing, and comforting throughout a 24-hour period. The cyber-baby is attached to a student's wrist, and electronically records the manner in which it is cared for over a day or a weekend. This simulation gives both male and female students a brief, but enlightening experience of the constant responsibility of caring for an infant. It is felt that such a personal experience will have a more profound impact helping teenagers avoid earlyparenthood than words of advice.

In deciding to award this grant, the community foundation accepted the risk of funding in a potentially controversial area. They realized that the project did not advocate a specific position — it encouraged students to make informed decisions about their future. The board saw the value to the community, and to the individual students, of such an educational initiative. They realized that preventing even one unwanted pregnancy was worth the investment.

This project caused the community foundation to further reflect on its own values, acknowledging the importance of family to a healthy community. As Bill Deyell, Executive Director of the foundation in 1998, stated: "We think a happy family unit may have the greatest impact possible in a healthy, viable community . . . If the program prevents just one unwanted pregnancy, it will be directly worth its cost to the community many times over."
SELKIRK COMMUNITY FOUNDATION (MANITOBA)

A New Foundation’s First Round of Granting

Two years ahead of schedule, the Selkirk Community Foundation distributed their first round of grants in 1997. Word had spread quickly about this new foundation. In fact, they had not even had the chance to put grant procedures in place before grant seekers were approaching them. Building on this enthusiasm, the board decided to go ahead with a first round of grants, even though there was only $4,000 available for undesignated grants. In a strategic move, they concluded that this was a good way to show the community what the grants could do.

Right away, in their first grant distribution meeting, they confronted some typical “hot issues.” One application was from a branch of a provincial organization with no local board; another was for operating funding thinly disguised in a capital request. They dealt with one request that was too large, and another for a religious project. Each of these was declined.

Having handled the “no’s,” they then had the satisfaction of turning to the “yes’s.” The board decided to distribute its $4,000 to four projects from across the spectrum of community interests – women, youth, seniors, and history/culture. These grants were awarded for:

1. the purchase of appliances for a second hand clothing store run by a shelter for abuse victims;
2. a new basketball court for youth;
3. benches and planters for a seniors’ centre;

In addition, a grant of $6,000 was made to the Selkirk & District General Hospital from a designated fund for the purchase of equipment.

To publicize its inaugural grantmaking activity, the community foundation held an awards dinner, which highlighted the grants to the five organizations. The experience of the Selkirk Community Foundation provides an excellent example of what can be done by new foundations with modest dollars. They succeeded not only in “getting a big bang for small bucks,” but also in creating a public communications event.
RED DEER & DISTRICT COMMUNITY FOUNDATION (ALBERTA)

Project: “Clothing Bank - Emergency Grant”

In June 1997, the Red Deer & District Foundation established an emergency grant fund of $2,000. This fund was to be for grants occurring outside the normal granting cycle, for access by the Executive Director (with the verbal approval of a majority of the board).

In one of those instances of serendipity that seem to characterize community foundation work, only one month after the fund was established, there was a need to access it. The Red Deer Clothing Bank faced closure after being hit with a major rent increase. The Foundation realized that this threatened closure would result in a serious loss to the community, as the Bank played an indispensable role making free clothing available to people in need.

With the Foundation’s emergency grant of $1,000 and some help from the United Way, the Clothing Bank was able to keep going until the end of the year. By then, there was such strong reaction from the community, that the landlord backed down and reduced the rent increase. Now, thanks to the Foundation’s emergency bridging, and the United Way grant which covers the current rent, the Clothing Bank is still going strong.

Community relations have been enhanced as a result of the partnership in problem-solving between the Foundation and the United Way. Not only do these two organizations have a stronger relationship, but the local newspaper and the Red Cross joined the collaboration at a later date.

Above all, this special grant made an important difference to the people who volunteered at the Clothing Bank. The average age of these volunteers was 70 years. Some of them had been with the Bank since it started over 30 years ago. The continuation of the Clothing Bank allowed these dedicated volunteers to maintain their commitment, and to keep helping those in need. Most importantly, the Foundation grant provided a show of community support for their outstanding volunteer contribution over the years.

As Executive Director Joyce Ganong stated, “One of the value statements we have, and a principle upon which we operate, is volunteer support. With many community foundations it is implicit. But with us, it is explicit. This situation was so close to what we believed in, we just had to do it.”
PORTAGE & DISTRICT FOUNDATION (MANITOBA)

Interactive Grant: Learning Disabilities Association of Manitoba

The Portage Chapter of the Learning Disabilities Association of Manitoba (LDAM) requested funds to buy books and audio-visual resources to inform and educate their members and interested others about learning disabilities. Elsewhere in the application, they wrote about developing a resource centre.

On reviewing this application for funds, the Portage & District Foundation was particularly concerned with the resource centre idea. If the foundation was going to fund the purchase of resource materials, they wanted to ensure access to them. Raising this issue in discussions with LDAM, the foundation put forward the idea of establishing a partnership with either the school or public library.

Foundation President, Jim Rennie explained, “In our interview with LDAM, we discovered the idea was not well developed — a resource centre was still in the wishful thinking stage. We focused on this issue. We suggested a partnering, and we offered to facilitate the request.”

Ultimately, the Association worked out a partnership arrangement with the public library, and through the library system the resources were available to everyone in the city and rural municipality of Portage. This was not only beneficial to LDAM, but it also helped the library to improve its services by expanding its collection at no extra cost. The Foundation felt that its grant dollars were well spent, especially considering that the library was able to purchase the resources at wholesale prices. For all partners, it was a win-win situation.
THE VICTORIA FOUNDATION (B.C)

Edward Milne Community School
Project: “Mounting of a Skeleton”

What does a community do when a dead whale is washed ashore? Well, in the case of the small town of Sooke, northwest of Victoria, you assemble the bones and suspend the whale skeleton from the magnificent atrium of your new community school. And you turn it into a major community event. With a little help from your friends at the Victoria Foundation.

The project began in 1989 when students and volunteers, working with museum curators, stripped and cleaned the beached whale carcass. The exhausting work lasted many months, and became a sort of “living history lesson.” However, once the bones were cleaned, they lay in storage for seven years, as there was no funding in sight for mounting the skeleton.

That is, until the Victoria Foundation contributed one of its largest grants ($10,000). At that point, the dream of including the whale in the new facility (which functions as a community centre) became a reality. Now it is the focal point of the complex.

From the start, Executive Director Sheila Henley saw the potential of this project, and realized how important it was to get behind it. Not only would the massive whale skeleton be an awe-inspiring addition to the school, but the project represented a unique opportunity to recognize a community’s voluntary action.

“I felt very strongly that it was making a statement that the community had worked so hard, and this was a way of returning to the community the benefits of their tremendous volunteer efforts.”

In awarding this grant, the Victoria Foundation made an exceptional case for contributing salary dollars. They realized that, without paying a specialist to help volunteers assemble the bones properly, the project could not be done. “So rather than quibble, we just said this is a wonderful gift to the school and to the community.”

In September 1996, the facility had a highly successful opening, with over 1,000 people in attendance. “People from every walk of life had been involved in the project, and caught up in the excitement of their ‘own whale.’ Why it worked as a grant was that it was a culmination of community volunteer effort . . . and a celebration of their community.”
TORONTO COMMUNITY FOUNDATION (ONTARIO)

A Strategic Approach to the Environment

In 1991, the Toronto Community Foundation decided that they should be doing grantmaking in the environment, since it was an area of growing concern to Torontonians. However, they realized that, while they wanted their funding to meet the most pressing environmental concerns, they were not sure what those concerns were.

At the time, there was some interest among a number of organizations in creating a Community Action Plan for the Environment to identify priorities and promote cooperative action in support of common environmental goals. So the Foundation funded the Conservation Council of Ontario to develop the plan. Since 1991, the plan has been used by hundreds of groups — government, funders and community organizations working on the environment.

The priorities identified through the plan were as follows:

- building a community network
- water conservation
- stream, river and beach clean-up
- toxic contaminants
- cutting urban smog
- using less energy at home
- greening
- and waste management

Since then, the Toronto Community Foundation has used these priorities to guide their environmental grantmaking. Some highlights include being the first funder of the Black Creek Conservation Project, which has become one of the most effective community watershed restoration projects. They also supported Greenest City for “Safe Routes to School,” a project that provides a safe way for children to walk to school. The goal is to reduce car use, which will improve air quality around schools, and to build community spirit by engaging parents and others as walking volunteers. This program is now underway in four elementary schools, with plans for expansion to other schools in Metro Toronto.

Since supporting the Community Action Plan, the Toronto Community Foundation has funded 22 projects, for a total of $230,000. Not only did the foundation’s strategic approach to funding a small project develop into a new granting area, but they have been recognized for their environmental grantmaking. Chosen as one of 22 community foundations (only two in Canada), they will participate in the Great Lakes Community Foundation Collaborative, funded by the Charles Stewart Mott Foundation and the Great Lakes Protection Fund.
CONCLUSION

Congratulations! You have made it through the Tool Kit. Hopefully, in reading this material, you have expanded your knowledge of grantmaking, and found ways to build or improve your grantmaking activities. Just remember that, like any tools, they are only effective when put to use. So don’t let them get rusty.

Community Foundations of Canada welcomes your comments, additions, and suggestions. Please let us know if you have new tools to add, or improvements to old ones. You can reach us at:

Community Foundations of Canada
75 Albert St., Suite 301, Ottawa, ON K1P 5E7
Tel: (613) 236-2664 Fax: (613) 236-1621
E-mail: info@cfc-fcc.ca

In closing, here are some thoughts to remind us of what our grantmaking — and all our activities — are about. These words are from John McKnight co-author of Building Communities from the Inside Out.

“In the end, it isn’t the neighbourhood as a place that is the measure. In the end, the measure is what happened in the lives of people when they acted together as citizens and what that meant to them in terms of satisfaction, purpose, meaning, and value — the value of having their gifts recognized, the value of seeing something more than their own self-interest, seeing the common good, the value of having their gifts shared, the value of believing that they are not alone and that they are not a victim, the value of seeing change, however small. That citizen experience, that experience in the lives of the people I’ve known over the years, is I think the greatest jewel in life’s crown.” (John McKnight)
PART D – SAMPLES

SAMPLES INDEX

Sample materials are listed alphabetically, as follows:

2. Application Forms
3. Application Procedures
4. Committee Selection
5. Information for Grant Seekers
6. Grant Follow-up Data Sheet
7. Grant Summary Report Format
8. Guidelines for Application Sponsorship
9. Letters
   - Response to Letter of Enquiry – inviting application
   - Response to Letter of Enquiry – not inviting application
   - Reasons for not inviting application (variables)
   - Letters of Approval
   - Approval variables - payment schedule/conditions
   - Response to application - Decline
Granting

The purpose of this policy is to provide guidelines for the foundation’s granting program.

A. General Guidelines

- Will a grants committee be developed to oversee the granting program? Or will some other mechanism, such as using the Board of Directors as a committee of the whole, be utilized to oversee the granting program?
- Who will determine the foundation’s requirement for expenditures on charitable activities to meet CRA guidelines (see Disbursement Policy 4.01)? When will this information be available each year?
- Who will be charged with monitoring this expenditure level throughout the year to determine that the expenditure does not encroach on the capital of the funds?
- Will grants only be provided to qualified donees? Where a nonprofit organization is not registered with CRA as being charitable, will the foundation require written documentation that the organization will meet CRA guidelines for tests of control, etc., to permit a qualified donee to make application for the grant?

B. Community Consultation

- How will the foundation consult with the community to understand the community’s needs? What additional information will be monitored?
- How will the foundation report on changes to local and national trends? Who will this be reported to? How often?
- Will the foundation communicate priority needs for granting purposes in the unrestricted community fund or other applicable funds?

C. Granting Program Process

- What will the grant review process consist of? Will there be a proposal received from qualified donees and then a grant application provided for qualified donees who meet the criteria for granting? Will there be criteria established to guide the review process?
• Who will determine the dates for proposals to be received, and for granting applications to be received? Who will determine the dates for the grants committee to review the proposals and applications and for the Board of Directors to receive the grants committee recommendations for disbursal of funds?
• How will these dates be communicated to the community? Will they also be communicated electronically?
• Will the dates remain the same year after year or will they be set each year?
• Will all grants from endowed funds be approved by the Board before funds are disbursed?
• Will grants from individual designated, field of interest, scholarship and donor advised funds be provided directly to the Board by the Executive Director or CEO for approval? Or shall these grant distributions also be directed through the grants committee, or alternate, prior to being considered by the Board?
• How will organizations be informed whether they were successful in their application?
• Will a grant approval agreement stipulating all criteria related to the disbursement of funds be required to be completed by the qualified donee prior to funds being disbursed?
• How will the grants be monitored? Will a follow up evaluation or outcomes report be required to be completed by the qualified donee prior to funds being disbursed?

M O N I T O R I N G :
• When and how will the policy be reviewed?

B O A R D A C C E P T A N C E :
• Will the Chair of the Board sign and date the policy to indicate policy approval?
Application Form

The Victoria Foundation

GRANT APPLICATION

*** PLEASE FILL OUT THE FOLLOWING QUESTIONS AS ACCURATELY AND AS THOROUGHLY AS POSSIBLE IN THE SPACE PROVIDED

*** Send 10 copies attaching your organization's Board of Directors, 1 copy of your organization's Financial Statements and 1 copy of your most recent Annual Report.

Agency Name:

Address:

Telephone ________ Fax ___________ Charitable Registration No. __________

Executive Director/manager: Contact person for this request:

No. of employees: Full-time _____ Part-time ________ No. of volunteers _________

1) State mission/goals of your organization:

2) Name of project:

3) Is this a new ☐ or an existing ☐ project?
4) Duration of project: From _________ to ______________

5) When are the funds required for the project?

6) How much are you requesting from The Victoria Foundation?

7) Describe the scope of this project:

8) Who will benefit from this project?

9) Describe your plan of action including the methods you will use to evaluate this project:

10) Describe the capability of your agency to conduct the project and note special staff qualifications:

11) Do you intend to cooperate with other agencies or non-profit organizations on this specific project? If not, why not?
12) How will this project be funded in the future?

13) What specific items would be covered by a grant from The Victoria Foundation?

14) How do you propose to recognize a grant from The Victoria Foundation?

15) List grant requests submitted to The Victoria Foundation and grants received from the Foundation during the past five years (include date, amount and purpose):

NOTE: Failure to provide evaluations from previous grants will be taken into consideration.
### Project Budget

#### PROJECT EXPENDITURES

<table>
<thead>
<tr>
<th>Items</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Salaries/benefits</td>
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<td>Professional fees/honoraria</td>
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<tr>
<td>Capital (specify)</td>
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<tr>
<td>Other (specify)</td>
<td>$</td>
</tr>
<tr>
<td>Total Project Expenditures</td>
<td>$</td>
</tr>
</tbody>
</table>

Amount requested from The Victoria Foundation $ 

#### Sources of Revenue

<table>
<thead>
<tr>
<th>Sources of Revenue</th>
<th>Assured</th>
<th>Potential</th>
<th>Contact/Telephone</th>
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</thead>
<tbody>
<tr>
<td>The Victoria Foundation</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Other Funders</td>
<td>$</td>
<td>$</td>
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<tr>
<td>Government (specify)</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Other (specify)</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Total Project</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

Print Name ______________________________ Signature ______________________________

Senior Staff Person: ______________________________

Print Name ______________________________ Signature ______________________________

Chairperson/Board Representative: ______________________________

Date: ______________________________
Application Procedures

The application process should not only be clearly defined in the foundation's guidelines (see sample next page), but a more detailed description of the procedures should be written as an internal document. This can be used for volunteer and/or staff orientation and inserted in the foundation's policy and procedures manual.

The Medicine Hat Community Foundation developed the following description of their process.

Application Process

1. Letters of enquiry or intent acknowledged by sending description of guidelines and procedures and an application form.

2. Applications tracked and accumulated in office until deadlines (March 31 and September 30).

3. Applications are reviewed by grants committee and divided in two, those for further review and those rejected.

4. Grants committee acknowledges receipt of application and sets up time for a site visit and/or meeting if necessary.

5. Grants committee meets and makes recommendation to the board for approval. Proposals which have been declined are listed and reasons given.

6. Board of directors makes final decisions. Those declined are informed in writing.

7. Decisions are made no later than three months after application deadline.

8. Successful applicants are notified by letter including an agreement setting out terms and conditions of grant to be signed and returned. A follow-up report is required within a year.
### Committee Selection

The following worksheet is to help with the recruitment and selection of new members.

<table>
<thead>
<tr>
<th>Categories: Ideal Composition (Put an asterisk * beside those considered essential)</th>
<th>Current Membership Profile (Check [✓] actual against ideal)</th>
<th>Suggested Names of Potential Members (to be recruited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of members: _____</td>
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<td></td>
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<tr>
<td>United Way representation or other community organization</td>
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<tr>
<td>Background in arts &amp; culture</td>
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<td>Background in education</td>
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<td>Background in social services</td>
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<td>Background in health</td>
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<td>Background in environment</td>
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<tr>
<td>Background in ___________</td>
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<td>Youth member</td>
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<tr>
<td>Knowledge of multicultural issues</td>
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<td></td>
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<tr>
<td>Knowledge of First Nations or ____________ issues</td>
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<td></td>
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<tr>
<td>Financial background</td>
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<tr>
<td>Other ____________</td>
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</table>

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<thead>
<tr>
<th>Proposed Member</th>
<th>Interview Date</th>
<th>CV received</th>
<th>Experience/Bg</th>
<th>Other</th>
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LONDON COMMUNITY FOUNDATION

Grants Committee

Terms of Reference

**Purpose**
To report and recommend to the Board of the London Community Foundation regarding all grant applications submitted to the Foundation.

The committee shall:
1. receive from the Foundation information on available funds for grants;
2. review assigned grant applications and report, with recommendations, to the Board of Directors;
3. assist in the evaluation / recommendation of proactive community grants;
4. perform follow-up assessments of grants made, as required;
5. review and recommend grant guidelines to the Board of Directors.

**Membership**
A minimum of twelve (12) committee members and a maximum of twenty (20) committee members is selected from the Board and the community. The majority of the members shall be from the general community. The Foundation Board Chair, the CEO, and the Director, Finance and Allocations, may attend the committee meetings as non-voting members.

Subject to Board approval, the membership may be increased, should the demands of the grants cycle require added resources.

Subject to Board approval, the Chair shall have the power to invite suitable persons to serve on the committee. Members of the committee shall serve without remuneration.

A staff member from the United Way sits as an Associate Member of the Grants Committee.

**Term of Office**
The term of office for committee members is three years. Members may be reappointed by the Board for further terms.
The term of office of no greater than one-third of the committee members shall expire each year.

**Officers**
The Board shall select the Chair and the Vice Chair. The Chair shall ordinarily be a Director.

**Meetings**
The committee meets quarterly or at the call of the Chair.

**Quorum**
A quorum for the committee shall be a majority of the voting members.

**Voting**
Motions arising at any committee meeting shall be decided by a majority vote. In the case of an equality of votes the Chair, in addition to an original vote, shall have a second or casting vote.

**Conflict of Interest**
Any committee member who

a) is a party to a material contract or transaction or proposed material contract or transaction with London Community Foundation, or

b) is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with London Community Foundation

shall disclose in writing to London Community Foundation or request to have entered in the committee minutes the nature and extent of his or her interest. Such committee member who has so disclosed such conflict of interest may be counted in determining the quorum for the meeting but shall not vote on any resolution to approve such contract or transaction.

**Reporting**
The Chair reports to the Board of London Community Foundation. Minutes or a summary of minutes of the meetings are distributed to committee members, Board and others as deemed appropriate. The committee shall annually review its terms of reference and recommend to the Board any appropriate changes.

Revised: October 1995
January 1997
January 1998
January 1999
December 1999

COMMUNITY GRANTS & STRATEGIC IMPACT GRANTS

INFORMATION FOR GRANT SEEKERS

INFORMATION POUR LES DEMANDEURS DE SUBVENTIONS: VERSION FRANÇAISE SUR PAGE 5

What’s really important is not what’s wrong, but what is right… No community was ever built on the needs and problems of its people. It has always been built on their gifts and capacities, and the use of the assets that are there…

Professor John L. McKnight, Director of Community Studies, Northwestern University, Illinois

Through its grantmaking program, the Community Foundation of Ottawa is committed to seeding, nurturing, supporting and strengthening our community. The grants made each year come primarily from the earnings of a permanent, ever-growing pool of endowment funds. These funds have been established as the result of hundreds of individuals; families and corporations who have chosen to contribute to their local community by providing donations, both large and small, during their lifetimes or through their estates.

The Community Foundation solicits and accepts grant applications from organizations that meet our funding guidelines. These grants are supported by the generosity of donors who have directed their funds to unrestricted purposes or to a broad field of interest.

Grants are made in support of social services (including projects for the visually impaired, children, youth, seniors), health, arts, education, animal welfare and the environment, primarily within the Ottawa region. The annual earnings of many of the funds under the Foundation’s care are disbursed according to advice from the donors.

A voluntary Grants Committee, comprised of representatives of the community and professional advisors, evaluates applications and makes recommendations to the Board of Governors, and in some cases to donors. The Board awards the grants within the parameters of the available funds.

Priorities

In awarding grants, particular consideration is given to projects which:

• translate needs and problems into issues and opportunities

• lead to individual and organizational self-sufficiency
• build effective partnerships
• promote networking and sharing
• realize a significant and sustainable result with a moderate amount of funding
• contribute to strengthening the community, especially by encouraging the participation of diverse groups and individuals
• are innovative

Funding Restrictions
The Community Foundation does not support:
• fundraising events and campaign activities
• partisan political or religious activities
• individuals
• sports and recreation, team or club sponsorships
• deficit reduction
• purchase of computer equipment for administrative purposes

Eligibility
Grants are made only to organizations recognized by the Canada Customs and Revenue Agency as registered charities. Applicants must demonstrate fiscal responsibility and have a committed volunteer board. Organizations must be based in Ottawa or projects must benefit residents of the Ottawa region.

Please note that:
• We are unable to accept applications by fax or e-mail.
• A committee reviews your application, so it must be legible and easily copied. If you are not completing the application on a computer, please write with black ink.
• The committee receives only the information received in the application, so avoid referring to attachments. Any attachments you provide are kept on file for reference but are not distributed. Your application should be submitted on standard paper (8 1/2 by 11), single-sided, and not in a presentation binder.
COMMUNITY GRANTS PROGRAM

The average grant is $5,000. By exception, a limited number of grants of up to $10,000 may be considered for projects which are particularly innovative and compelling.

- The attached application and budget pages should be completed using only the space provided. Please answer all the other questions using no more than 5 pages.

The following should be attached to your application:

- list of your Board of Directors;
- most recent financial statements - audited, if available; and
- current operating budget.

The deadline for applications is March 1st. Decisions are made within 3 ½ months. Although some requests may be considered for a fall deadline of October 1st, the majority of grant allocations will be made in the spring.

STRATEGIC IMPACT GRANTS

Starting in 2002, the Community Foundation is implementing a major grants program. These Strategic Impact Grants are broader than the Community Grants Program and could include multi-year funding, larger amounts (over $10,000), project funding, as well as grants which focus on building organizational capacity or seeding new programs.

The Proposal

Please let us know, in two pages or less, what you would like to do, what impact it could have and how much it might cost. Be sure to include information about your organization or partnership and the name and number of the contact person.

If Community Foundation of Ottawa or one of its donors determines that it may be able to support the proposal, you will be asked to submit a more detailed application.

Please note that there are limited funds available for these grants, the process is highly competitive and very few full applications will be requested. The deadline for proposals is March 1st.

Other Grant Programs:

Please call 236-1616 to receive a separate application form and guidelines for the following grant programs, or visit our website at www.communityfoundationottawa.ca.
**Literacy: The Ottawa Citizen Literacy Foundation**

Organizations are invited to apply for funds to support literacy and language training in geographical areas served by The Ottawa Citizen in Eastern Ontario and Western Quebec.

The annual deadline for applications is October 1.

**Performing Arts: World Exchange Plaza Arts Endowment Fund**

Grants are made to support professional, not-for-profit arts organizations in the production and presentation of performing arts activities by local artists in Ottawa's downtown.

The annual deadline for applications is February 1.

**For more information:**

Call the Foundation to request an annual report which contains a complete list of grants approved in the previous year, or access our website at www.communityfoundationottawa.ca. Should you have any questions, please call the Grants Office at 236-1616 extension 223, or extension 230.
Grant Follow-up Data Sheet

Grant:

Date awarded:

Contact:

Grant amount:

Conditions:

Expected outcomes:

Evaluation plan:

Who will do follow-up:

Timing of follow-up:

Notes:

Success rank:
(1=unsuccessful; 2=successful; 3=highly successful)

Closed:

Date:

Signed by:
Grant Follow Up

<table>
<thead>
<tr>
<th>Conditions</th>
<th>Due Date</th>
<th>Date Done</th>
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</table>

**Expected Outcome:**

**Staff:**

**Success Rank:**

**Closed:**

**Notes:**
Grant Summary Report Format

*For use in summarizing information for presentation to the Board or Grants Committee.*

**Name of organization:**

**Previous grants:**

**Background:** *(includes mission, significant history, and other facts)*

**Project:**

**Amount requested:** **Recommendation:**

*(Optional) Information from site visit(s):*

*(Optional) Comments from reference persons/consultations:*

*(Optional) Additional research by staff/volunteer:*
Guidelines for Application Sponsorship

Sometimes a community foundation wants to accept an application from an organization that does not yet have charitable status. In such a case, it is possible to consider funding if the application is sponsored by a registered charitable organization. Foundations are advised to establish clear conditions for such exceptions.

This example of guidelines for application sponsorship was developed by Vancouver Foundation.

Application Sponsorship

In exceptional cases, (name of community foundation) does accept applications from organizations that are not yet registered as charities with Canada Customs and Revenue Agency. Such applications must be officially sponsored by another organization that is a registered charity.

These are the conditions for such an application to be considered:

- there must be a direct affiliation with the sponsoring organization (the charity)

- a letter from the sponsoring organization’s President must be submitted indicating:
  - the nature of the affiliation or relationship with the organization undertaking the project;
  - the sponsoring organization’s willingness to undertake financial and legal responsibility for the project;
  - its mailing address, phone and fax number;
  - its charitable registration number;
  - its organizational mandate;

- the sponsoring organization must attach:
  - its Board of Directors’ names, addresses and telephone numbers;
  - its financial statement for the last complete fiscal year.

The above should be submitted to (name of community foundation) with the application form.
Form Letter:  *Response to Letter of Enquiry (inviting application)*

Dear ( ): 

Thank you for your letter in which you enquire about the possibility of funding for your *(name)* project.

*(Name of foundation)* is interested in considering an application for this project. Enclosed is a copy of our funding guidelines, an application form, and *(other)*.

*(If additional information is requested)*

In order to properly assess your proposal, the Foundation requires some additional information. Therefore, please ensure that the following is included with the application: *(Insert information)*

For example:

- details regarding other potential and confirmed sources of funding;
- information regarding the process your organization has undertaken to determine the need for such a project.

*(If highlighting information)*

When completing the application, please note that: *(Insert information)*

For example:

- grants considered by the Foundation for similar projects are usually in the range of $ ;
- the Foundation does not fund project activities retroactively. Therefore, only activities occurring after the announcement date will be eligible for our support.

Your application will be considered by the *(Grants Committee)* at its next meeting. Please ensure that the application form is completed and returned to my attention by *(the next application deadline of)* *(date)*. You will be advised of the outcome by *(date)*.

I look forward to hearing from you.
Form Letter: Response to Letter of Enquiry (NOT inviting application)

Dear ( ):

Thank you for your letter in which you enquire about the possibility of funding for your (name) project.

While we appreciate the [value of this initiative/importance of these activities/your request] . . . Insert information (See Variables* attached)

I am sorry that we could not offer a more positive response to your request. However, we do wish you well in securing the required support from other sources.
* Variables

Note that these variables are taken from Vancouver Foundation. You may wish to develop your own, based on your foundation's policies and eligibility requirements.

**Overwhelming demand**
. . . regretfully I must advise that the Foundation does not make grants for such projects, as the demand is simply overwhelming and beyond the ability of our resources to respond.

**Not a funding priority**
. . . regretfully I must advise that the project does not meet a funding priority.

**Not a federally registered charity**
. . . regretfully I must advise that the Foundation can only provide funding to federally registered charitable organizations.

**Too frequent funding**
. . . regretfully, we cannot accept applications from an agency that has been funded by us within the last (two to three) years. We limit the number of grants we provide to any one organization so that other groups have a reasonable opportunity to access our funds.

**No retroactive funding**
. . . regretfully, I must advise that it is ineligible for our funding. As the Foundation's funding is largely aimed at assisting organizations to achieve what they would not be able to do without our support, it is our policy not to fund projects retroactively.

**No individuals**
While we appreciate the value of the activity you are planning to undertake, regretfully I must advise that the Foundation is unable to provide funding to individuals.

**Out of province/community/region**
. . . regretfully, I must advise that the Foundation can only provide funding to projects taking place in (province/community/region).

**Administrative office expenses**
. . . regretfully, I must advise that the Foundation is unable to consider projects relating to the purchase of furnishings or equipment for administrative purposes.

**Operating expenses**
. . . regretfully, I must advise that the Foundation does not provide grants for on-going operational expenses.

**Conferences**
. . . regretfully, I must advise that the Foundation does not make grants for conferences, competitions, festivals or symposia.
Letters of Approval

Note that you can either include all the following information in the approval letter, or develop a shorter letter with an attached Grant Information Sheet. The terms, conditions, payment schedule, and reporting requirements of the grant can be specified in the Grant Information Sheet, which is countersigned by the grantee.

Regardless of the style preferred, the content of the approval letter should include the following:

- amount of award
- purpose
- terms and conditions (including grant authorization period and any conditions the foundation stipulates)
- payment schedule/conditions
- reporting requirements
- evaluation requirements
- recognition of the grant, plans for publicity (may include copy of press release)
- requests for photographs, press clippings (optional)
- contact person at the foundation
Form Letter: Approval

Dear ( ):

Re: (Project Name)

Your application regarding the above-named project was recently reviewed by (name of foundation). I am pleased to advise you that a grant in the amount of $ ( ) has been approved. This project is to (purpose).

Please note that (Insert terms and conditions)
  
  For example:
    • The Foundation grant is conditional upon your organization receiving a matching amount of funding from the community/other sources.

The grant will be paid (Insert payment schedule/conditions - See Variables*)

At the completion of the project, please submit a final project report and evaluation, including a financial report.

Please be aware that authorization of this grant remains in effect for (6) months from this date, and unless acted upon within that time, may be cancelled.

(Name of foundation) would appreciate having recognition of this grant and would be happy to hear your plans in this respect. Furthermore, we request that you prepare a press release for your local newspaper which describes the project and the assistance we have been able to provide.

We are pleased to assist your organization with this important project, and wish you every success.
* Variables: Payment schedule/conditions

These will vary depending on the nature of the grant, the amount awarded, and the foundation's preferences. Here are some options:

One payment:

- upon submission of copies of invoices/receipts for approved purchases
- upon written confirmation that the project is about to begin and the approved funds are required
- upon written confirmation that the grant conditions have been met and the approved funds are required
- upon confirmation that the ( ) has been hired, the project is about to begin, and the approved funds are required
- the cheque in the amount of $ is enclosed

Two payments:

- in two instalments of $, the first upon notification that the project is about to begin and the approved funds are required;
  or
- in two instalments of $, the first upon confirmation that the grant conditions have been met, the project is about to begin, and the approved funds are required
- the second installment will be made available approximately ( ) months after the first, upon submission of satisfactory progress and financial reports for the initially funded period
  or
- the second installment of $ will be made available approximately ( ) months later, upon submission of copies of receipts or invoices approved for purchases made in line with the application
Form Letter:  *Decline*

Dear ():

Re: *(Name of project)*

Your application regarding the above-named project was recently reviewed by *(name of foundation)’s (name of committee).* I regret to advise you that, after careful consideration, the Committee declined to recommend a grant.

*(Insert brief reason)*

*(Optional other inserts - E.g. You are invited to reapply if you are able to address the concerns mentioned above.)*

While we are sorry that *(name of foundation)* could not assist you in this instance, we appreciate the time and effort taken to submit your application, and wish you the best with your project.