The process for nonprofits and foundations to engage in productive partnerships
Problem statement

Nonprofits and foundations are encouraged to work together, seamlessly, by their constituents, peers, and even each other, but forming a collaborative partnership is not solely determined by preference or opinion (Le et al, 2018). Both foundations and nonprofits face multiple challenges when pursuing on-going, productive relationships with each other. Specifically, expectations that arise before, during, and after the grant proposal process, inconsistency with program performance and measurement expectations, and a lack of candid transparency that prohibits mutual lines of communication between these two entities.
The purpose of this study is to explore the process for nonprofit organizations and foundations to engage in productive partnerships. Specifically, this study will examine the grant proposal process, including the expectations of both parties for the other throughout the grant proposal process. In addition, the study will further examine the performance and measurement expectations given to a nonprofit by a foundation when awarded a grant. Furthermore, this study will explore if foundations are responsible for equipping their grantees with the necessary tools to provide them with the data and information they ask for.
Research Questions

1. What are the expectations during the grant proposal process?
2. What are the performance and measurement expectations?
3. What are a foundation’s responsibility toward their grantees?
Significance of the study

- The grant writing process and fundraising challenges have had a significant impact on my life.
- Analyzing the grant proposal process is imperative because nonprofit professionals can use the information to better understand how to measure effectiveness of the programming and what, exactly, foundations are asking for in their grant proposal application.
- This study will offer insight to:
  - The challenges both nonprofit organizations and foundations face when pursuing productive partnerships
  - Better understand how nonprofits are to measure the effectiveness of their programming and report it accurately to the foundation.
  - Whether or not foundations should be more responsible to equip their grantees with the appropriate training needed to accurately measure program effectiveness.
- Will offer an enhanced understanding of the challenges both entities face and recognize the ways they can greatly help each other.
- Nonprofits and foundations no longer have the luxury of considering themselves a valued martyr for one local, but worthy, cause while pursuing a personal agenda.
Literature review
1. The expectations during the grant proposal process

2. Performance and measurement expectations

3. A foundation’s responsibility toward their grantees
The Expectations During the Grant Proposal Process

- Overhead or operational support is one of the challenge areas
  - There is little consistency in how foundations, and funders alike, approach the overhead question. As Keating (2003) points out, simply defining “overhead” is a challenge and that “it depends who’s asking” (p.42).
  - The reality is that, when overhead support is given, only 10-30 percent of the total grant amount is geared toward overhead support. Some refuse to fund any overhead whatsoever (Huang, 2006). One CEO who does not support overhead funding wrote “Maybe grantees should be more honest in helping funders know their financial realities and constraints” (Keating, 2003, p. 43).
  - Some funders see nonprofits as mere means to an end, but still feel inclined to be receptive and open to grantee needs. Other foundations reject this belief wholeheartedly, arguing that foundations cannot achieve their impact goals and build stronger communities without strong, financially sound nonprofit organizations.
- Quality interactions with foundation staff & clear communication of a foundation’s goals and strategy, are attributes that matter more to the grantee (Bolduc et al., 2004).
Performance and Measurement Expectations

- Nonprofits and foundations use different standards for performance measurement and assessment.
  - Nonprofits believe there is no ONE way, ONE standard, foundations have to measure program effectiveness or way to report it (Huang, 2006).
  - In a comment typical of many nonprofits, one grantee says that “reports disappear into a black hole” (Huang, 2006, pp. 10-11).
  - While it is true that foundations may have standard procedures or an organization-wide culture that influences a grantees’ experience, it is often the program staff and/or leadership, accompanied with their knowledge of grant making or lack of it, who make or break the entire grant proposal experience (Buteau et al., 2010).
- Limitations and restrictions placed on possible funding aggravate the situation further (Bolduc et al., 2004).
  - One such nonprofit points to the constant demand of new programming requested from funders “Stop designing programming and opportunities for which capacity must be created. Start with what each of us has the capacity to do and help us grow... as opposed to ‘Don’t drop anything and add this if you want funding’” (Buteau et. al, 2013, p. 14).
A foundation’s responsibility toward their grantees

- **Capacity Building Support.**
  - In a study done in 2013, asking nonprofits what their most pressing challenges were, developing their leadership skills and using technology to improve their organization’s effectiveness are what most nonprofit leaders are looking for by way of help from foundations when it comes to meeting the demand for their organization’s programs and services (Buteau et al., 2013).
  - “The true crisis is not a lack of bodies to fill nonprofit jobs; rather, it is the deficit of investment in current nonprofit people and the systems that support them” (Kunreuther et al., as cited in Stahl, 2003, p. 35).

- **Non-monetary Support**
  - Reducing the amount of time from the original request to notification of the decision allows nonprofit executives to more quickly decide if they need to make adjustments (Buteau et al. 2018). And of course, the quicker the money arrives once the decision is made, the sooner they can respond to needs in their communities.
  - Support for the collaborative process can give nonprofits the time and flexibility to work through partnership issues and to be fully vested in how the partnerships will play out over time.

- **Communicating Goals and Strategy**
  When funders can intentionally work to build relationships, publicly demonstrate their willingness to meet grantees where they are, and use their expertise to help address or prevent challenges, their investments in nonprofit partners have a better chance of achieving intended outcomes (Choi 2017).
The analysis from the research suggests that to make the maximum impact on grantee organizations, foundations need to fund overhead support grants that are larger and longer term than the vast majority of foundation grants today.

In addition to larger, longer term grants, nonprofits found high-quality interactions and, clear, consistent communication of goals and strategy to be of utmost value.

Nonprofits believe foundations do not have one right way to measure program performance or one standard way to report its effectiveness.

Another finding were the key areas that make grantees comfortable (or not): sharing their needs with their funders, the level of transparency the grantee has with its funders, the existing strength of the relationship with their funders and level of trust between them (Buteau et al., 2018).
Implications for professional practice

- General operating, multiyear and capacity-building support are all effective investments to address systemic problems in communities. Funders that take this approach to their funding practices have two important things in common: They are good at listening to grantees and they come together with their peers to learn about better ways to support nonprofits. “In other words, these funders have a street-level view of what’s going on” (McCray, 2004, p. 12).

- Both parties need to appreciate how and why the other person has come to believe the things they do. Discuss your work and your worlds with one another. You will learn more than if you merely play to your strengths and you will have more gratitude for the work of the other. Lastly, be mindful of the stereotypes you bring to the partnership.
Implications for professional practice

- Communicate clear measurement standards the grantee can expect to replicate during the grant proposal process. Also ensure the foundation has an appropriate number of staff to provide high-quality interactions with the grantees. Ensure nonprofits understand how these processes will unfold before the grant proposal process begins. Continue to communicate with grantees about the reports they submit once they have been awarded the grant. (Huang, 2006).

- Reciprocated deference, and respect, is also critical. Nonprofit CEO’s and program staff need to understand that foundation leadership and grant staff can bring significant insight to the table, and funders need to understand that program outcomes and program effectiveness can be attained in many different ways (Sclove et al., 1998 as cited in Schuman & Abramson, 2000).

- Lastly, nonprofit CEOs and staff need to recognize, and understand, from their funder that they can, and should, ask for what they truly need. Too much time is lost when nonprofit CEOs apply for support, asking for what they believe funders want to provide, rather than for what they truly need to strengthen and sustain their organization.
Recommendations for future research

- Explore the reason why foundations insist on funding a high number of moderately small, short-term grants and what the transaction costs are— for foundations and grantees – associated with this practice.
- Another area of research could look at how foundations can best face the choice between either providing larger grants or supporting a larger number of organizations.
Recommendations for future research

- A study of how foundations and grantees can best guarantee optimal alignment of goals, regardless of the type of support provided, could also be worth exploring.
- Future research could delve into how foundations and nonprofits could make advancement toward better alignment where they don’t see eye to eye and faster progress on the matters where there is agreement about a need for improvement.


https://cep.org/portfolio/strengthening-grantees-foundation-and-nonprofit-perspectives/#:~:text=Based%20on%20survey%20responses%20from,foundations’%20efforts%20to%20strengthen%20grantee

https://www.ncrp.org/2017/10/build-healthy-relationships-grantees-funders-need-shift-power-dynamics.html


Keating, E. (2003) "Is there enough overhead in this grant?" *The Nonprofit Quarterly, 10*(1), 41-44 https://nonprofitquarterly.org/is-there-enough-overhead-in-this-grant/

QUESTIONS?
(Thank you for your attention!)