



Grantmaking Basics

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The foundation's mission statement briefly describes the foundation's overarching goals and values. The statement of purpose indicates how the foundation will fulfill these goals. For example, in which interest areas and geographic regions will the foundation focus? What types of grants will it make? Will the foundation accept unsolicited proposals? Or, will its trustees actively seek out organizations and programs to support? Will the foundation's program focus be broad or narrow? How will the foundation make a difference? Developing the foundation's goals, strategies and objectives is perhaps the most challenging aspect of setting up a grantmaking program. Donors must decide who to involve in the discussion, how the decision will be made, and how much influence other Board members or family members will have on the outcome.

Once the goals and strategies are clearly developed, the trustees will need to consider the day to day implications of operating a private foundation. They will need an application procedure, a process for reviewing proposals, a means of communicating with applicants and grantees, and a method for following up on grants awarded. Many regional associations of grantmakers make available common application and reporting forms. The Exponent Philanthropy Foundation in a Box offers sample letters, grant agreements and other boilerplate materials that donors will find informative and useful.

A key aspect of the review process is consideration of the extent and nature of trustee involvement. Development of the grantmaking process should not only focus on pushing paper through a system. It must take into account how involved individuals trustees will be in the review process, where the responsibility for due diligence will lie, and how grant decisions will be made.

Finally, trustees should remember that despite all the inquiries to answer, letters to respond to, and paper to push, the ultimate goal of any grantmaking program is to establish a relationship with the organizations and individuals that are using the foundation's grant dollars to achieve its goals and objectives. The grantmaking process should be a partnership between the foundation's Board of trustees and the community in which it seeks to have an impact.

Key Elements of a Grantmaking Strategy

- A mission statement, which is informed by the donor's intent and objectives
- A statement of purpose, defined by program interests, geographic focus, grantmaking style

- A process for accepting, reviewing and awarding grants
 - A set of guidelines that inform the grantseeking community about what your foundation does and does not do
 - A system for communicating with applicants and grantees
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