



Family Giving Online Knowledge Center Board Activities and Training Procedures

TITLE: A Framework for Reviewing Grant Proposals

SOURCE: *The Trustee Notebook: An Orientation for Family Board Members*

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A FRAMEWORK FOR REVIEWING GRANT PROPOSALS

No matter what precedes or follows the grantmaking process, the moment arrives when the family foundation board must decide on grant requests. These decisions are at the heart of a trustee's responsibility. They are what foundations are all about. Below is a series of check-lists to help you and your foundation organize this decision making process:

1. Is the applicant organization eligible for a grant from your foundation?

- Do you have the necessary documents to determine that the applicant organization is exempt from tax and is publicly supported? (IRS 501 (c)(3) and 509 (a)(1), (2), or (3) letters; the organization's annual tax return (IRS Form 990); and financial statements).
- Does the proposed activity meet legal requirements as a charitable activity?
- Does it follow the stated interests of the foundation?
- Is the proposal clear?
- Is the proposed program, project, or activity needed?

2. What community is served by the organization?

- Is there a defined community to be served by the project?
- Are other organizations providing the same or similar service in that area?
- Is there community support for this service by this organization?

3. Is the project likely to succeed?

- Has the applicant presented your foundation with an important problem with workable dimensions?
- Do the data in the requesting documents support the need and its proposed solution?
- Is the project or program realistic?
- Are results measurable? (For instance, how many people will be served as a result of this grant?)
- Does evidence exist that the proposed methods will bring about the desired results?

4. Does the prospective grantee organization have the capability to carry out the proposed activity?

- Does this activity conform with the organization's stated purpose?
- Does the community view the organization as credible?
- Do professionals in similar organizations view the organization as credible?
- What are the organization's distinctive strengths? Weaknesses?

5. Are the prospective grantee's finances and budget in order?

- Does the organization meet its day-to-day operating costs?
- Is there a deficit?
- Is your foundation the only source of funds?
- Have other organizations or individuals been asked to fund the project?
- Is the program budget realistic?
- If the program is to extend beyond the normal grant period of your foundation, are future funding plans evident?

6. Does the prospective grantee have the appropriate board, staff, and facilities for the program?

- Have appropriate resources of staff and money been applied to the program?
- Are management personnel sufficient for this kind of project?
- Is management well-organized?
- Is there true leadership on this organization's board?
- Does the board have diverse skills and the ability to raise funds?
- Has someone representing your foundation visited the applicant organization to determine if the space and equipment necessary to carry out the proposed activity are present?

7. How will the effort be evaluated?

- Does the proposal contain a description of the evaluation method?
- Does the proposed method appear to be adequate?

Answering the questions on these checklists can entail many implicit and explicit activities, including:

- Careful reading of the proposed request for funds by trustees and staff.
- Site visits to potential grantees. These are scheduled visits by trustees or staff of your foundation to gain first-hand knowledge of the prospective grantee's facilities, equipment, staff, and clients and a general feel of the organization and its services. Many foundations have developed checklists to help trustees get the most out of their site visits.
- Contacts with other community agencies.

If your foundation has a staff, many of these activities can be assigned to them. If you have no staff, you and your fellow trustees must determine which of these activities is vital to decision making and choose a trustee or other volunteer to perform the needed tasks. In addition, although many of the questions included here are framed as yes/no, in reality the answers will not be that straightforward. Trustees will need to do some additional thinking about the relative merits of each grant proposal. Keep in mind that because most family foundations do not have paid staff, it is common for trustees to put in some heavy volunteer work on behalf of the foundation.