

Good Grantmaking: Looking Out for Our Partners

Since 2012, we at the Pennsylvania council have been on an exciting journey, shifting to strategic grantmaking and shoring up our work as a grantmaker. As part of our journey, we have been finding ways to improve our grantmaking practices. Strengthening our relationship with applicants and grantees has been a big priority. We need strong and healthy partners to do the heavy-lifting of making the humanities come alive in our communities, and, accordingly, we need to take measures to ensure their well-being. With guidance from our consultant, Nancy Burd of The Burd Group, an expert in philanthropy and nonprofits and author of [*On the Money: The Key Financial Challenges Facing Nonprofits Today – and How Grantmakers Can Help*](#), we have been finding ways to help. Here are some steps we are taking to look out for our partners.

Contribute to our grantees' financial resiliency.

In [the Nonprofit Finance Fund's 2014 survey](#) of nonprofits across the country, most respondents reported that demand for their services increased for the sixth consecutive year, but more than half said that they cannot keep up and that they are in poor financial health. Fifty five percent said they have limited to no cash to get them through hard times, and nearly a third is operating in the red. Without financial stability and an adequate cash cushion, nonprofits cannot innovate or grow; instead, they struggle simply to maintain what they have and stay afloat.

After two years of monitoring our applicants' financial issues through the [Cultural Data Project](#), we decided that our new grant program must bolster our grantees' financial well-being. [General operating support](#) and [multi-year funding](#) would be great, but our limited resources, our new goals, and new strategies, ruled them out. We had to continue offering project grants. Even within the project grants' confines, however, we found ways to contribute to our grantees' financial resiliency. First, we began offering substantially [larger awards](#) that more accurately acknowledge the work load our grantee will undertake. Second, we made [unrestricted awards](#) so that our funds can support our grantees' operations. Unrestricted funds allow us to support basic but vital functions that are needed to achieve program goals.

Support capacity-building to improve our grantees' work in the humanities.

New and complex projects pose challenges for grantees, and an award alone may not be enough to help them successfully implement projects, let alone grow and learn. We recognized that we can provide valuable resources and support. First, we inaugurated a kick-off meeting for grantees featuring experienced experts, and we contracted with one of them to answer our grantees' questions during the first six months. Second, we are holding quarterly check-ins that let grantees reflect and course correct as needed. Third, our evaluator is providing guidance on designing a logic model and setting realistic outcomes. Last but not least, program staff is encouraging grantees to use us as a sounding board and to assist in additional fundraising. Many of our new capacity-building activities require a commitment of funds and staff time, but this investment helps ensure that our awards do not fizzle out and instead result in real impact.

Get feedback from our applicants and grantees.

To improve our grantmaking, we are integrating feedback mechanisms into our work. Assessing the roll-out of our new grants, our evaluator interviewed our top applicants. We learned a lot! For example, we found out that our decision to ask for a one-to-one cash match was onerous, even for larger organizations. Through such feedback, our new grant program will become an endeavor that is owned and driven by communities and organizations across our state.