

# A Grants Management System: Finding the Right Fit

**T**racking grant applications, approvals, award letters, and reports – how does your foundation do it all?

Many foundations use grants management software to ease the administrative burden. It can streamline the creation of letters to grant applicants and help to create reports, schedule payments, and monitor grants. Some software even supports Web-based applications that allow board members to view applications and supporting documents online.

On the other hand, for foundations that make relatively few grants, grants management software may be too complex and costly. For these foundations, a paper system or simple spreadsheet often does the trick, or a customized database.

How can you find the right fit for your foundation?

## Determining Your Needs

As a first step, discuss the priorities and parameters of your grants management system:

- What does your foundation want to track? ASF members tend to track some or all of the following:
  - ◆ **Contact information** for grant applicants and recipients (organizational and individual)
  - ◆ **Basic application information** (e.g., amount requested, amount approved, compliance with application requirements)
  - ◆ **Key dates** (e.g., application received, grant approved/declined, grant agreement received)
  - ◆ **Grantee applications and reports.** Is it important that grant applications and reports be available to complete and submit online?
  - ◆ **Board/staff comments on proposals.** Do you want the ability to evaluate applications securely online?
  - ◆ **Evaluation and impact data.** Does your foundation want to track the outcomes of your grants as documented through stories, anecdotes, or even numbers?
  - ◆ **Financial data.** Are you interested in integrating your grants management and bookkeeping systems? Though convenient, be prepared for additional cost and complexity in set up.



- What kind of reports do you need? Who should see this information and when, and how do they prefer to receive reports?
- Can you create a system in-house, or does it make sense to purchase a software package? Be sure to consider the technical skill of your staff and board.
- What is your budget?

Depending on your answers to these questions, the best system for your foundation may be a simple paper record, a basic spreadsheet, a full-fledged database, or a software package that is specifically designed for grants management.

## Considerations for Computerized Systems

If your system will be computerized – whether you develop your own system, work with a technology consultant, or purchase a software package – here are additional questions to explore:

- How will information be transferred from your current system to the new one?
- How easily can the system be customized?
- How easily can the system produce the reports you need?
- Can the system grow if you increase your volume of grants, grantees, or system users?

- Does the provider offer technical support? Does this cost extra?
- How will the information be secured?
- Can the information be exported to other systems?

We also encourage you to connect with fellow ASF members. What systems do they recommend? What have been their experiences? The online Discussion List ([www.smallfoundations.org/Lists](http://www.smallfoundations.org/Lists)) or Colleague to Colleague Guide ([www.smallfoundations.org/ColleagueGuide](http://www.smallfoundations.org/ColleagueGuide)) are great places to start.

“The most important factor in our ability to get work done is the use of an online grant review/ rating system,” says Mary Anthony, ASF member and executive director of The 1772 Foundation in Pomfret Center, CT. “This allows 80% of the grants discussion to take place prior to the board meeting. It also gives board members more flexibility in how and when they do their review work.”

## Choosing a Solution

Once you have a firm handle on your needs and options, choose the best system for your foundation. If your foundation chooses:

- A **paper system**, it might use file folders along with a way to track basic contact information and grant status, such as index cards.
- A **customized computer-based system**, good systems can be created in Microsoft Excel, Microsoft Access, FileMaker Pro, and other programs. For a sample grant tracking form in Microsoft Excel, visit [www.smallfoundations.org/Samples](http://www.smallfoundations.org/Samples).
- A grants management **software package**, here are some of the brands that ASF member use: ACT, Arlington Group, Bromelkamp, CAMT, Closerware, CyberGrants, Foundant, Foundation Source, MicroEdge, NPO Solutions, PhilanTrack, PowerNet, and PowerOffice for Grantmakers.

Though ASF doesn't endorse a single software package, ASF members do qualify for discounts on some products. To learn about current discounts, visit [www.smallfoundations.org/Discounts](http://www.smallfoundations.org/Discounts).

Once you've lived with the system for a while, don't hesitate to refine it to better fit your needs. And be sure to share your experiences with ASF members and staff. Keep other small foundations from reinventing the wheel!

## Additional Resources

**How Technology Can Help You Manage Your Foundation.** Get tips on evaluating technology options, given your foundation's size, function, needs, and budget. [www.smallfoundations.org/Primers](http://www.smallfoundations.org/Primers)

**ASF Discussion List.** Members are discussing their experiences with grants management software and many other aspects of small foundation operations. [www.smallfoundations.org/Lists](http://www.smallfoundations.org/Lists)

## Ways to Streamline Your Grantmaking

Have you tried streamlining?

- Has your foundation considered the information you *really* need to make a grant decision?
- Have you tried a short application form for small grants? For grantees you already know?
- Do you accept applications and reports electronically?

These are just some of the ways to save time for your foundation and for your grantees, all while maintaining prudent and effective due diligence practices.

### Did you know?

- Asking grantseekers to submit a one- or two-page letter of inquiry first, instead of a full proposal, can be a great way to save time in proposal review – for grantseekers and for you.
- Although some foundations ask for audited financial statements from potential grantees, requesting audited financials is *not* required by law.
- There are ways to check a grantee's tax status online – using IRS Publication 78 or the IRS Business Master File (both at [www.irs.gov](http://www.irs.gov)), or a service such as GuideStar's Charity Check ([www.guidestar.org](http://www.guidestar.org)). Despite the availability of online tools, many foundations collect a tax determination letter for each grant request, often at the insistence of legal or financial counsel. ASF suggests that you ask for a tax determination letter once, when you perform due diligence on potential grantees; in subsequent years, use an online source to verify that grantees remain in good standing.

Visit [www.projectstreamline.org](http://www.projectstreamline.org) for more ideas on streamlining your grant application and reporting processes. Have ideas to share? Send them to Andy Carroll, [andy@smallfoundations.org](mailto:andy@smallfoundations.org).