

Equitable Grantmaking Continuum

Created by NonprofitAF.com and RVCSeattle.org

While nonprofits are appreciative of foundation support, the reality is that many foundations' practices are often harmful to organizations, especially those led by and serving communities of color and other marginalized communities. Below is a simple tool for funders to assess how equitable your funding practices are. Check which level you are for each category and tally them on the last page.

| | LEVEL 1 FUNDER | LEVEL 2 FUNDER | LEVEL 3 FUNDER |
|---|--|--|---|
| 1. Funding Focus | <input type="checkbox"/> Uses "color-blind" grantmaking that does not take into account the racial/ethnic makeup of organizations and who they serve | <input type="checkbox"/> Some targeted focus on funding organizations led by and serving communities of color and other marginalized communities | <input type="checkbox"/> Majority of funding goes to organizations led by and serving communities of color and other marginalized communities |
| 2. Types of Organizations Funded | <input type="checkbox"/> Only funds nonprofits with their own IRS tax status. Does not fund fiscally sponsored organizations | <input type="checkbox"/> Funds fiscally sponsored nonprofits | <input type="checkbox"/> Funds fiscally sponsored nonprofits & other kinds of organizations like worker co-ops and groups with no legal status |
| 3. Payout Rate | <input type="checkbox"/> 5% minimum, includes foundation's own operating expenses | <input type="checkbox"/> 5% to 10%, does not include foundation's own operating expenses | <input type="checkbox"/> Over 10%, does not include foundation's own operating expenses |
| 4. Organization Size Funded | <input type="checkbox"/> Only funds well-established organizations with proven track records | <input type="checkbox"/> Mostly funds well-established organizations with proven track records, but also considers smaller organizations | <input type="checkbox"/> Significant support of organizations that are smaller and more grassroots in nature, especially those that are led by and serving marginalized communities |

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| 5. Funding restrictions | <input type="checkbox"/> Awards mostly restricted grants | <input type="checkbox"/> Some restricted, and some unrestricted grants | <input type="checkbox"/> All grants are unrestricted |
| 6. Budget Testing | <input type="checkbox"/> Will not fund more than a certain percent of an organization's total budget, usually 10% to 20% | <input type="checkbox"/> Will fund 20% to 50% of an organization's budget | <input type="checkbox"/> Will fund 50% or more of an organization's budget or does not do any budget testing |
| 7. Grant Duration | <input type="checkbox"/> 1 year or less | <input type="checkbox"/> 2-4 years | <input type="checkbox"/> 5+ years (ideally 10+ years) |
| 8. Grant Application Process | <input type="checkbox"/> Requires multiple-page narratives, several attachments, and/or unique outcomes templates. Takes organizations 15 or more hours to complete application | <input type="checkbox"/> Requires a lot of copying and pasting and a few attachments. 4 to 14 hours to complete application. | <input type="checkbox"/> Accepts grant proposals written for other foundations, or does their own research and reaches out to organizations to verbally ask clarifying questions. Takes organizations 0 to 3 hours total. |
| 9. Proposal Format | <input type="checkbox"/> Will only consider proposals in one specific format (typewritten, in English, etc.) | <input type="checkbox"/> Considers proposals in different formats, but forces everyone to use it, e.g., all must make videos | <input type="checkbox"/> Considers proposals in varying formats: handwritten, in different languages, videos, etc. |
| 10. Budget Format | <input type="checkbox"/> Budgets must be completed using funder's own template, requiring conversion of charts of accounts | <input type="checkbox"/> Accepts whatever budget format the organization already uses | <input type="checkbox"/> Does not request line-item budgets; focuses on the organization's work and outcomes |

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|--|--|---|--|
| 11. Matching Requirement | <input type="checkbox"/> Requires cash match from other sources | <input type="checkbox"/> No matching requirement | <input type="checkbox"/> Funder actively solicits other funders to match their grants, with no additional work required from grantees |
| 12. Grant Decision Timeline | <input type="checkbox"/> Takes three or more months | <input type="checkbox"/> Takes one to three months | <input type="checkbox"/> Takes less than one month |
| 13. Timeline of Fund Disbursement | <input type="checkbox"/> Takes three or more months | <input type="checkbox"/> Takes one to three months | <input type="checkbox"/> Takes less than one month, preferably a week or less after the grant decision is made |
| 14. Contracting Process | <input type="checkbox"/> Requires the organization to create new documents, such as detailed work plans, outcomes charts, collected board signatures, etc. | <input type="checkbox"/> Short contract with little or no added work for the organization | <input type="checkbox"/> No contract. Funds are provided via an award letter that can be signed online or does not require a signature |
| 15. Reimbursement-based or not | <input type="checkbox"/> Payment is reimbursement-based, requiring the organization to already have the funds to pay for expenses | <input type="checkbox"/> Payment is disbursed in installments throughout the year | <input type="checkbox"/> Complete payment is made up front, or up front at the beginning of each grant award year |
| 16. Reporting Frequency | <input type="checkbox"/> Monthly quarterly, or more frequently | <input type="checkbox"/> Every six months | <input type="checkbox"/> Annual check-in |

| | LEVEL 1 FUNDER | LEVEL 2 FUNDER | LEVEL 3 FUNDER |
|------------------------------|---|--|---|
| 17. Reporting Process | <input type="checkbox"/> Requires filling out funder-designed reporting forms for narratives and budget expenses that break down what funding was spent on. | <input type="checkbox"/> Short reports from one to three pages long in any format. Accepts financial data for organizations as a whole & does not require breakdown of what funding was spent on | <input type="checkbox"/> Accepts the reports written for other funders, or funder has a conversation with grantee, with the funder recording and taking notes |
| 18. Renewal Process | <input type="checkbox"/> Requires grantees to fill out a new application every year | <input type="checkbox"/> Has shorter, more streamlined applications to renew grants | <input type="checkbox"/> Funding is renewed with brief conversation to ensure goals and values still align |
| Total Score <hr/> | You get no points for this section | ___ x 1 = | ___ x 2 = |

Scoring

1. Tally the total number of items you checked in Column 2 & 3 and multiply by their respective number. You get no points for Column 1 as these practices do not contribute to equitable grantmaking.
2. Add the totals from Column 2 & 3 to get your your score.
3. Look at the following page to determine your level on the Equitable Grantmaking Continuum.

SCORE 0-9 LEVEL 1 FUNDER - "BURDENSOME GRANTMAKER"

If your score is 0-9, you are a Level 1 funder. Your practices are based on suspicion (aka "rigor") and tend to be more restrictive and burdensome. This is most likely to negatively affect organizations led by and serving marginalized communities, who may not have the time, staffing, or other resources to comply with the onerous expectations of your grants. For this reason, your funding practices are harmful. It's time for your organization to take a long, hard look at yourself and begin questioning your current practices and taking bold moves to change them. The good news is that there are lots of steps you can take to improve your score—just select more level 2 & 3 practices to include in your grantmaking and make sure to prioritize funding for marginalized communities. Remember that progress is not linear and you are encouraged to jump directly to practices of a Level 3 Funder as much as possible.

SCORE 10-27 LEVEL 2 FUNDER - "ON-THE-JOURNEY GRANTMAKER"

If your score is between 10-27, you are a Level 2 funder. You are on the journey of integrating more equitable funding practices, and there is still room for you to grow. Let these practices take root and see where they can deepen by looking at what Level 3 practices you can move to. Reviewing your answers above, ask how can these processes change? What narratives and assumptions keep you stuck in regressive funding practices? How can you transform these outdated beliefs to make it possible to be in equal partnerships with those you fund? Begin investing in relationships with your colleagues and those you fund to discover the answers to these questions. In doing so, you can transform your funding to be more equitable and develop transformative relationships with those you fund.

SCORE 28-36 LEVEL 3 FUNDER - "PRETTY COOL GRANTMAKER"

If your score is between 28-36, you are a Level 3 funder. Level 3 funders base their practices on a foundation of trust and equal partnership with their grantees, which allows all organizations, especially organization led by and serving marginalized communities, to thrive. As an organization on the frontline of equitable grantmaking, you have the ability to innovate and develop new practices that can make funding and resources even more accessible and supportive to marginalized communities. Ask those you fund what kind of support they really need, and how they would most like to receive it. Invite out-of-the box ideas and radical honesty. Help us shift the philanthropic sector in a more equitable direction by speaking publicly about what has worked and what hasn't in your grantmaking, and inviting other funders to join you in these practices. Celebrate, but don't get complacent. There's always room for improvement.