

# Open and trusting grant-making

*A call to action*

## Introduction

IVAR is working in collaboration with London Funders and a small group of UK foundations and charities who are ambitious for change. We are calling for funders to adopt simpler, more flexible practices that can accommodate and support the ongoing uncertainty and unpredictability caused by Covid-19. As a group of charities and funders, we have developed eight commitments to make funder practice more open and trusting. These commitments reflect our dedication to keeping the best of our emergency responses into 2021 and beyond.

We'd like you to join us:



Building on our promise to [stand by the sector](#), we commit to being more **open and trusting** funders by:

- Making grants in a way that reflects the realities facing VCSE organisations now and for the foreseeable future.
- Managing grants and relationships in a way that reflects our confidence in and respect for the organisations we fund.

Our strategic aims, size, and governance are very different. But we all believe that how we do it matters: who we reach, how we judge applications, the kind of funding we give and the relationships we make.

This emergency has shown us that lighter, more flexible, more trusting processes are possible. We are determined to resist the pull of familiar ways of doing things, to continue providing effective support during the crisis and use it as a springboard for a new culture of funding that puts simplicity, respect, and inclusivity at the heart of everything we do.



## Eight commitments

**We commit to making grants in a way that reflects the realities facing VCSE organisations now and for the foreseeable future.**

Commitments	Examples
<p><b>1. We will not waste their time</b> – we will explain our funding priorities clearly; we will be open and transparent about all our requirements and exclusions</p>	<p>After each funding round, we review all rejected applications, looking for ‘rules’ that we hadn’t identified or made clear</p> <p>All our published application documents are independently copy edited for clarity and consistency</p>
<p><b>2. We will only ask relevant questions</b> – we will only collect information that we must have to make funding decisions; we will test our application forms rigorously to make sure our questions are clear and do not overlap</p>	<p>We use a 2 stage process. We aim to support 75% of applications at stage 2, so stage 1 is all about the key questions that most strongly influence our funding decisions</p> <p>We take responsibility for compiling information on applicants from publicly held records (e.g. accounts from Charity Commission)</p>
<p><b>3. We will accept our share of risk</b> – we will be realistic about how much assurance applicants can reasonably give us; we will clearly explain how we assess risk when we make our funding decisions</p>	<p>In the light of Covid-19, we are reviewing ‘what good looks like’ in relation to e.g. reserve levels; diversity of funding; financial projections. We will share this with applicants</p> <p>We don’t require detailed activity plans. We trust organisations to make their own operational decisions</p>
<p><b>4. We will act with urgency</b> – we will seek to work at a pace that meets the needs of applicants; we will publish and stick to our timetables; we will make our decisions as quickly as possible</p>	<p>We make all decisions about small grants within 30 days of receiving an application</p> <p>If we have problems meeting our timetables, we get extra help rather than giving applicants less time or changing their deadlines</p>
<p><b>5. We will be open about our decisions</b> – we will give feedback; we will analyse and publish success rates and reasons for rejection; we will share our data</p>	<p>We try to think creatively about how and when to give useful feedback to all unsuccessful applicants – we never just say ‘we had more applications than we could fund’</p> <p>We publish details of the reasons for rejection at each stage of our application process</p>

**We commit to managing grants and relationships in a way that reflects our confidence in and respect for the VCSE organisations we fund.**

Commitments	Examples
<p><b>6. We will enable them to respond flexibly to changing priorities and needs</b> – we will give unrestricted funding; if we can’t, we will make our funding as flexible as possible</p>	<p>Our Trustees are committed to moving 90% of our annual spend to unrestricted grants within three years</p> <p>We contribute towards the essential operating costs of an organisation, not just to direct project costs</p>

<b>7. We will be clear about our relationship from the start</b> – we will be realistic about time commitments; we will ensure that our contact is positive and purposeful	When we make a grant, we jointly agree the expectations for the relationship between us  We are working on ways for funded organisations to safely raise challenges in their grant relationship with us
<b>8. We will use light touch reporting</b> – we will ensure that our formal reporting requirements are well understood, proportionate and meaningful	We explain why we have awarded a grant and then jointly agree what grant reporting will work best for us both  We use a simple ‘tick box’ form to deal with all reports for accountability purposes

## We want you to sign up

It will take time and commitment to continue adapting in order to respond to the challenges surfaced so starkly during 2020 about equity, power and accountability in funding and how they play out in our day-to-day funding practice. We ask you to make a start by signing up to:

- Adopt the eight commitments to being open and trusting
- Share what you are doing to bring them to life
- Join a community of practice with other funders and with VCSE organisations to help us adapt and improve (this is likely to include some kind of collaborative review, involving VCSE organisations).

This is the beginning of a longer, more ambitious process. The next stage involves working intensively with a group of VCSE organisations to explore practical responses to questions of equity, power and accountability in application and assessment process.

We are collaborating with others active in this space to ensure our work is complementary; including ACF’s Stronger Foundations initiative.