we listen, and learn together

Towards more transparent application and assessment processes

Practical ideas from open and trusting grantmakers

November 2021

OPEN & TRUSTING with IVAR

Introduction

Working in collaboration with London Funders and a small group of UK foundations and charities ambitious for change, in January 2021 IVAR issued a call for action by all funders to adopt more open and trusting practices that make life easier for those they fund, in light of the ongoing uncertainty caused by Covid-19. The emergency has shown us that lighter, more flexible, more trusting practices are possible. Our ambition is to see these commitments extend beyond the crisis: to become standard practice in the sector.

Over 80 funders have now signed up to becoming open and trusting grantmakers with IVAR. From local to national and to UK-wide funders; issue specific to generalist; family to corporate; and run by one volunteer administrator through to a team of more than 50, their strategic aims, size, and governance are very different. But 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. The Open and Trusting Community of Practice have all signed up to eight commitments:

1. Don't waste time
2. Ask relevant questions
3. Accept risk
4. Act with urgency
5. Be open
6. Enable flexibility
7. Communicate with purpose
8. Be proportionate

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27 foundations came together in September and October 2021 for a second round of our Open and Trusting Community of Practice meetings, to share their experiences, challenges, and questions. **Our focus was on how best to bring the eight commitments to life in application and assessment processes**. The discussion was framed by a recent blog, sharing the collective experience of 22 charities in applying for funding, and their views on five things that funders can do to help:

1. **Continue the flexible,** open and trusting **funding practices** that many adopted during the pandemic – clear criteria, core or unrestricted funding and light-touch forms all make a big difference.
2. **Be more transparent with eligibility criteria** and share decision-making processes.
3. **Consider different requirements depending on the size of grant.** For example, be open to different types of applications (e.g. video applications), use publicly held information (e.g. financial information from the charity commission) and only ask relevant questions.
4. **Ringfence funding to support specific groups or communities** (e.g. small charities, community-led groups, ethnically diverse charities). Smaller organisations and those that support marginalised communities are often competing with larger organisations that have more resource and a paid fundraising team. Ringfencing funding could help.

5. **Create opportunities for open dialogue.** Sometimes it feels like funders exist behind computers. Being able to talk honestly, even if we're told that our application has been unsuccessful, is a sign of a good funder who we may want to develop a relationship with, in the future.

This short briefing highlights reflections and ideas for action from four key areas of our discussion.

Keeping up the momentum

Developing more open and trusting application and assessment processes is not a quick fix: *'It's more than just changing a few questions, it's an entire process'.* There is no single right answer that works for everyone and in all circumstances. But open and trusting funders are finding ways of thinking and working that help them to keep on track with the eight commitments:

- **Being open and straightforward with applicants:** *'We changed our small grants programme and capped the number of applications to 45 per round. There was no point taking more, as we can only fund 10. We were very honest about it. And we published all the deadlines and dates a year ahead, as well as being clear about our priorities, simplifying our online form – and publishing a Word version so people can get their answers ready. We were expecting pushback, but no one ever emailed to say that we'd closed it before they got to submit. If you give people good information, they can make their own decisions.'*
- **Interrogating the consequences of our processes:** *'It's very important to consider the burden we are placing on organisations. We also need to think about who benefits most from certain processes.'*
- **Working collaboratively and 'thinking in public':** *'Applications are one of our priorities but there are so many intertwined issues that are addressed by looking at the form. So, rather than one person going away to make a draft form, we decided to set aside a day a month to get together as a team and identify the other issues that arise out of tweaking applications. We also want an external lens, so we send everything to our Equity, Diversity and Inclusion (EDI) group.'*
- **Thinking differently about risk: '***It's conceptualising risk as all about potential abuse of funds which creates our insatiable appetite for information gathering. But our starting point should be the risk of the money not supporting the difference we want to make.'*

Being more transparent

There is no getting round the fact that demand for funding far outstrips the funds available. Achieving a balance between not wasting applicants' time and creating the opportunity for organisations to make their best case is challenging. Funders shared three ways in which they were working to make their priorities and decision-making processes clearer and more transparent.

1. Uncovering hidden decision points

Some recommend giving careful attention to *'uncovering the hidden decision points – that aren't necessarily in your programme guidance but reflect your practice and the situation your foundation is in'* and communicating them upfront to potential applicants.

This information can be used in a light way to help manage expectations, so charities have a better sense of their chance of success:

> *'We make small grants and give generic guidance. But, in practice, we do have priorities depending on what we've funded and what we're learning about need in the community. So, we've started to add a sentence to our guidance to say: "in times of high demand we prioritise applications that do x, y, z". That's helped, as it's made us feel like we're not having a conversation behind closed doors and gives us language to tell people why they're not accepted.'*

But, if this hidden criteria means that applicants who do not meet them will not be funded, they belong in published requirements, so that organisations do not waste time in applying:

> *'Charities used to apply to us and go into our process. If they got through eligibility, they would go to the regional manager, who would look at them against local need and what we were already funding and might then decide we were oversubscribed on this issue. We are now clear about regional priorities and tell potential applicants when we are oversubscribed, so they don't waste their time. It isn't well received all the time by charities – but it is much more transparent.'*

2. Being clear about our roles

The relationship between grants staff and charities during the application and assessment process is complex and often feels unclear to applicants. Grants staff may play very different roles at each stage, for example *'starting as a gatekeeper, becoming an assessor and then arguing the case to others who make the final decision'.* A number are making efforts to be more explicit about these changing roles and their implications for applicants:

> *'By the time of the project visit, I make it clear that I'm an advocate and finding reasons to fund them rather than the opposite. I'm not there to grill them or catch them out. I just want a conversation about the project and what they want to achieve rather than a sales pitch.'*

3. Looking at all our communication *'with an applicant's eye'*

Effective, audience-focused communication is at the heart of a more transparent approach to applications and assessment, and many are thinking carefully about how best to present their priorities, requirements, and decision-making processes:

> *'It is easy to forget what a black box funders are to organisations – the jargon is difficult. If I was a charity, I wouldn't much care why we have chosen our priorities – I'd just want to know whether I fit and have a chance of getting funding.'*

> *'People told us they spend a lot of time trying to interpret what we mean in our written guidelines. We decided it would be good to make a video on the website that is in our voice so that people don't have to second guess why we're asking questions and what answers to give.'*

‘Being relational' in the application process

Our discussion about ‘relational grant-making’ in the context of the application and assessment process highlighted the many different ways in which funders interpret this idea and try to put it into practice. Three key points were made which may add value to further thinking.

1. *‘Money gets in the way’*

Some suggest that a relational approach to applications and assessment is mostly about making sure that the process is as open and supportive as possible, enabling charities who meet their foundation’s priorities to make their best case for funding. Assessment calls, video conferences and project visits all create opportunities for *‘a more human relationship’* and a deeper mutual understanding between the applicant and the potential funder:

> *‘Visits really help bring the work to life – they help us make sense of the written applications.’*

But open dialogue between charities and funders is rarely possible until after funding decisions have been made:

> *‘You can have much better conversations after the money’s been given. That’s when the real stuff happens.’*

2. Tackling inequalities of access

There are concerns that a commitment to lighter touch application processes and deeper grantee relationships will continue to advantage *‘organisations we already know’*, undermining the imperative to achieve greater equity in access to funding:

> *‘We are really relationship based - we meet and phone people. My concern is that those that don’t know us and don’t have that relationship feel on the outside and they can’t get in. Sometimes having set ways of doing things feels like it’s fairer.’*

But others argue that being mindful of these tensions is the critical first step to developing processes that effectively support the foundation’s values and strategic priorities:

> *‘There are dualities here. Of access for new communities that haven’t traditionally had funding and also investing in existing relationships. Of not asking for too much information without asking for too little information to be able to understand and fund new organisations. But this doesn’t have to be “either or”. We just need to keep in mind this duality when deciding how to respond to new priorities.’*

3. Giving bad news

For applicants, feedback on unsuccessful applications is a critical element of a more open dialogue between charities and funders:

> *'I came to this role "from the other side" and have always tried to give more feedback. It can be difficult as you don't want to hurt people's feelings. Sometimes it's well received and other times not. But it is useful – and important.'*

Giving feedback feels particularly difficult when very good applications lose out to other very good applications. But no matter how marginal, *'there is always a reason for the choices we make'.* Committing to share these reasons is an important part of a respectful funding relationship:

> *'It may be a minor reason – for example, some other situations just felt more urgent. But it's important to treat them like adults and tell them the truth.'*

And it helps funders keep the quality and effectiveness of their criteria and decision-making under close scrutiny:

> *'If you find giving feedback hard, something is going right. The easy feedback is that they don't meet criteria. And this is more worrisome as it brings up questions as to why, for example, eligibility is unclear etc. But the difficult feedback means you are doing something right.'*

Who decides?

There is much interest in the community of practice in the pros and cons of different ways of running application and decision-making processes and in learning from the experience of others. Funders are looking for practical ideas they may be able to use themselves. But they are equally concerned about teasing out underlying principles they can apply to their own priorities and circumstances, recognising that plurality of funding practice is a key strength of independent funders, speaking well to the diversity of the voluntary, community and social enterprise sector:

> *'No one approach is perfect or works for everyone. There are always challenges.'*

A key challenge is how best to ensure that charities have real influence and authority alongside funders, both in building the framework for a more open and trusting relationship and in judging the success of experiments and innovations in practice. And to do this without creating *'another burden'* on hard-pressed organisations:

> *'We have also trialled having an initial conversation rather than an application form – but are unsure if it creates more or less work for them.'*

> *'We need challenge to our assumptions. Is this shift better? Better for who? How? How do we know? It calls for transparency and sharing back with organisations. "We heard*

this, so we did this." Closing the loop so it doesn't feel like a one-way transaction.'

This sits alongside broader challenges around diversity, equity and inclusion. Around how to meaningfully reach groups from minoritised communities and engage individuals with lived experience in shaping processes and making decisions about grants. Co-design, dialogue, consultation, delegated grant-making and advisory groups all form part of this emerging picture, as well as some wholehearted initiatives to engage relevant communities as decision-makers, positioning the funder '*as facilitating a process rather than being a decision maker':*

> *'We are trying to change the dynamic of our decision-making and have created an advisory board of people with lived experience. At the moment they give feedback but, in time, we hope to flip things over, so the professionals are on an advisory board and this group make the decisions.'*

> *'Our process is that applications are published on our website. We follow up with an open advice session for each applicant – with us and any other groups and people in the community, who understand what they are trying to do and can help them strengthen the bid. Then our membership is asked to vote. It takes time and communities need to be willing and able to engage. But it's their decision – not ours.'*

Concluding thoughts

Developing open and trusting application and assessment processes is a journey, not a destination – with new opportunities and challenges emerging along the way. But principles are emerging that support good progress, demonstrated, for example, in funders' efforts towards:

- More straightforward communication of the information that most matters to applicants.
- Greater transparency about decision-making processes.
- Honest feedback, even when this is difficult.

Critically important is the growing commitment to 'thinking in public'. Not just in discussions between funding peers but in sharing ideas and challenges with potential applicants, and giving them a more powerful voice in judgements that are being made.

As part of the Open and Trusting initiative, IVAR is currently building up a picture of how funders are making their application and assessment processes more transparent, flexible and human – and how these processes are experienced by funded organisations. We will be publishing this in early 2022.

Sign up to our mailing list to receive this research as soon as it is published.

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