

Frequently Asked Questions About Philanthropy

How Do I Build Strong Relationships with Grantees?

As a donor, your grantees' results are your results—they are creating change for the people and causes you care most passionately about. So collaborating effectively with your grantees is a critical step on your journey from aspirations to real results.

Donors often like to think that they are “partnering” with their grantees. But given the enormous power imbalance between donors (who have money) and grantees (who seek it), “partnership” isn't usually the first word that comes to a nonprofit leader's mind. Behind closed doors, grantees air a raft of complaints about their donors. So it's important to know: Are your relationships with your grantees partnerships—or are they train wrecks?

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What are the keys to building a strong relationship with grantees? In our experience, these relationships are grounded in **shared goals** and buoyed by a **productive working relationship**.

Evaluate whether you and your grantees have shared goals

Without a shared definition of success—shared goals, and alignment on what needs to be done to reach them—it's possible that you and your grantee won't agree when it comes to making tough decisions.

Sometimes it may appear that you and your grantee are aligned, when you really aren't. For example, imagine that you are funding an organization that runs an afterschool program you believe in and want to help grow. How can you be sure your definition of growth matches that of the afterschool program? Perhaps you envision national expansion while the organization pictures serving the same kids with deeper services, such as summer camps and college counseling services. Donors and grantees should have a common fact base. “Disconnects” like that can cause a donor and grantee to work at cross-purposes; ultimately, the beneficiaries lose out.

To determine whether you and your grantee truly share goals, ask the following questions:

- If you and your grantee were separately asked about the grant, “What would an ‘A+’ look like?” what would your answers be? Would they agree?

- Can you quickly and relatively easily list your grantee's top priorities as an organization?
- Who else is funding this organization? From what you know, do those funders have similar goals to yours? If not, have you asked your grantee what it does to handle these separate goals?
- Have you and your grantee discussed the roles you play in the broader landscape of change?

To build a shared vision of the results you hope your grant will create:

- Be clear with your grantee about your hopes for your grant.
- Understand your grantee's top priorities, the fact base that supports its decisions, and the way in which your grantee's work creates the results it seeks.
- Learn from your grantee how its work fits in with the efforts of other organizations, and confirm that your grantee's approach aligns with your vision.
- Try to see the world from your grantees' vantage points. Be mindful that the playing field is not level. Donors have the funds that nonprofits so desperately need, and that fact inevitably tempers a nonprofit leader's willingness to be candid.

Consider whether you and your grantees have built a productive working relationship

Here's a litmus test question—all else being equal, would your grantees prefer you to another funder? While "getting along" is an important component of a strong working relationship, truly successful partnerships do more than that—ultimately boosting each partner's ability to get results. In practice, developing a productive working relationship means really maximizing your gift through managing the true cost of philanthropic capital, and capturing opportunities to add value beyond monetary gifts. Now is the time to put a stake in the ground about where to focus your efforts. Being explicit about your funding choices—and then having the discipline to say no to other things—is a prerequisite if you want to move from

exploring to making a long-term, measureable difference.

Cost of capital

Donors impose (sometimes unwittingly) significant costs of capital on their grantees through the grant application process, program involvement, and grant renewal process. The burdensome nature of the grantee application and renewal process is widely acknowledged but persists nonetheless. A 2011 [Foundation Center survey](#) of 66 institutions found, for example, that inconsistencies in the grant procedures, questions, and requirements placed on grantees increased the nonprofits' administrative burdens. However, not all costs donors impose are as obvious. The cost of donor program involvement, for example, is often hidden. This can manifest itself when donors become excessively involved in program design, and pressure grantees to develop or adapt programs so they are not focusing squarely on the organization's mission. For example, when a donor interested in community building asks a youth program to tack on an elderly visitation program that may work for the donor, but does not make sense for the nonprofit.

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For obvious reasons, grantees rarely tell philanthropists that these activities create additional burdens for the staff or organization, but that this happens is an open secret. This does not mean that philanthropists should not get involved. After all, many good philanthropic practices—such as thoughtful performance assessment—create costs. The higher the benefit, the more justified any burdens become. But when donors don't understand what their grantees need and the true cost of their requests, the stage is set for trouble. The solution here is clear communication, respect, and a spirit of service. Remember: The grantees' results are your results. Every hour they spend filling out a form for you is an hour they are not focusing on their core mission.

Value you can add beyond monetary gifts

Writing a check is the most common and straightforward form of giving. However, to address the world's most pressing problems, donors must ask themselves if they truly understand what it takes to make change happen, beyond just a great program or investment, and if so, how they can position themselves—through their role, resources, and relationships—to support that change.

To support a grantee, you may have relevant expertise like financial or legal knowledge that can help a nonprofit. You may be able to refer a trusted friend to serve on the board or connect the CEO to other agencies, partners, and funders in the community. The bottom line is that giving shouldn't be a one-size-fits all proposition.

To think about whether you and your grantee have built a productive working relationship, ask yourself the following questions:

- What is the nature of your relationship? Do you enjoy working with the grantee and would they tell others they enjoy working with you?
- How candid is your relationship? Has this organization ever shared serious problems with you and asked for help? Can you think of a time when your grantees gave you unsolicited feedback on how you are doing as a donor?

- How frequently do you connect? Who tends to reach out first? [The Center for Effective Philanthropy](#) has found that frequency of contact, particularly when it was the funder who reached out, is a hallmark of strong relationships.

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Putting it together: Do you have a partnership or train wreck?

Have you reached true partnership—characterized by highly aligned goals and a highly productive relationship? Or is your situation more like a train wreck, where you are funding an organization whose strategy only marginally overlaps with yours, and with whom you have trouble working?

Many organizations fall somewhere in between. When a donor-grantee relationship looks like a “forced march,” donors are behaving like “owners” exerting control, instead of like-minded supporters exercising influence. In an “amiable association,” donor and grantee are not strategically aligned, but the working relationship functions well (perhaps because of limited direct involvement by the donor). Where do most of your grantees fit? The first step to enhancing your relationships is [diagnosing the situation](#).

SOURCES USED FOR THIS ARTICLE:

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