

How do Foundations Make Grantmaking Decisions?

- The board of trustees usually makes the final decisions.
- In many cases, staff makes grant recommendations to the board.
- Everything that leads up to the decision varies—a lot—from foundation to foundation.

A foundation's board of trustees is ultimately responsible for grant decisions. But how the board makes decisions can vary greatly from foundation to foundation.

Some foundations have staff members who are experts in the areas the foundation funds. Often called program officers, they may have backgrounds in academia, the nonprofit sector or grassroots movements. They may have expert knowledge of an issue and/or relationships with nonprofits working on it. They may review grant applications or propose grant ideas based on their own knowledge of the field. Program staff often present recommended grants to a board—sometimes in the form of an extensive grant write-up or presentation at a board meeting, after which the board votes yay or nay on making the grant.

Other foundations have small staffs or no staff at all, and the board itself researches possible grantees or reviews grant applications, or works with an external advisor or consultant during the review process.

Or there may be no research or review process, and the board simply makes grant decisions on a whim or impulse.

Boards will sometimes empower staff to make some or all grant decisions, and their board sign-off is mostly a formality. Other boards retain decision-making power and considerable involvement in researching and discussing possible grants.

Some foundations welcome grant applications from anyone. Some have LOI (letter of inquiry) processes through which they decide whether or not to invite a nonprofit to



apply for a grant. Some issue requests for proposals, usually to engage a wider pool of applicants around a particular issue. Others don't accept unsolicited asks or grant applications, but instead research the field and reach out to nonprofits they want to fund.

While some foundations have very involved processes for making grant decisions, which can require nonprofits to go through an extensive application and review process with no guarantee of funding, many – mostly small foundations – have quick and simple processes.

Some foundations have clear and transparent processes outlined on their websites. Some have processes that are totally inscrutable to outsiders.

Some foundations are guided by thoroughly researched, multiyear grantmaking strategies intended to make a specific impact on a specific issue, and some are guided by instinct or have shifting priorities from year to year.

So how is a nonprofit fundraiser supposed to navigate this?

You can use resources like Inside Philanthropy's Grantfinder to find helpful information about many foundations and how they tend to operate.

For those whose decision-making processes are opaque, inconsistent or nonexistent, well, there's not really anything you can do other than continue doing your nonprofit's good work, networking, and responding to a surprise grant announcement if it appears.

And maybe find a little hope in the knowledge that many philanthropy-serving organizations offer resources and professional development opportunities to train foundation staff and trustees in best practices, including transparency and clarity around how they make grantmaking decisions.



You may also want to check out:

- What is a letter of inquiry (LOI)?
- Who should decide what gets funded?

