Principles of good grant making:
How to make grants that are fair, transparent and effective

1. **Consultation:** Speaking to charities, funders and other relevant stakeholders leads to better understanding of the market, need and gaps.
   Think: Who do you need to speak to? What understanding do you need to gain at the outset?

2. **Objectives:** Setting clear objectives enables audiences to be targeted and relevant outcomes to be decided.
   Think: What are you trying to achieve with the grant?

3. **Criteria:** Clear criteria should produce a better pool of applicants and avoid wasted time with ineligible applications. Clarity over who can apply (including organisation size, location, track record), as well as any exclusions, aids transparency and should sit alongside clear communications and guidance.
   Think: What kinds of organisations do you want to apply? Are your criteria going to attract them?

4. **Communication:** All communications need to be clear and targeted effectively so as to reach relevant audiences and support understanding. Make all application information available online and avoid complicated jargon.
   Think: Is it accessible? Does it make sense to a layperson?

5. **Proportionality:** All applications and reporting should be proportionate to the grant requested/awarded – information should only be asked for where it will be used.
   Think: Do we really need to ask this? Why?

6. **Resources**: The level of resources available to the grant maker needs to be considered. This will inform the grant process, such as the level of applications that can be dealt with, the opportunity for questions, feedback and frequency of payments. Experts should be brought in to support assessments where the skills/in depth subject knowledge are not available in-house.
   Think: Have you been clear with applicants about what they can expect from you?

7. **Timescales:** All timescales need to be realistic both for the grant maker and the applicant. Appropriate time for planning, lead-in, application and spending the grant will all impact on the success of the grant programme.
   Think: Will organisations have enough time to apply? Can deadlines be shifted?

8. **Flexibility:** Effective grant processes respond to need so have to be flexible to adapt to this.
   Think: How will any changes to the grant or project be communicated and agreed?

9. **Monitoring and Evaluation:** Monitoring and evaluation need to be built in from the start. It needs to be recognised that failure can happen but that doesn't mean a grant has been wasted. Where monitoring goes beyond a financial audit, there should be opportunities to use the information and share learning.
   Think: Will you allocate any internal resources or funding towards evaluation? Is it proportionate? What will be learned?

10. **Payments:** Payments should be made up-front (not in arrears). This helps the organisation's viability and ability to deliver (especially smaller ones). Ensure payment systems will not prevent some charities from applying.
    Think: Can you do this? If not, why?

Case study: Department of Health's Innovation, Excellence and Strategic Development Fund

The grant programme opened in 2015 to provide funding for one to three years to drive forward new ideas, disseminate and replicate excellence or undertake strategic developments in voluntary sector capacity and capability within the health and care field. The processes involved in the grants programme demonstrates how a statutory body can follow good grant making principles. Some of the key features of the process which made it a success were:

Communication – charities were allocated a named grant manager to liaise directly with and who was able to respond promptly to queries. There was also an event at start of the project for all those who received grants, to network and hear directly from the grants team about expectations and what support could be provided.

Flexibility – charities were able to talk through their project methodologies as and when they faced challenges. This has meant that charities have not had to stick with a prescriptive approach but have been able to adapt to ensure the identified outcomes are delivered. This has been particularly important given the changes to public sector finances. Open communication and flexibility has enabled charities to adapt their projects to this changing environment.

Grants for Good
This resource has been developed by Grants for Good. This is a coalition of charities which believes in the huge value of government grant-making to the voluntary sector and aims to protect it.

For further information about the coalition, visit:
www.dsc.org.uk/grants-for-good-2

Further information and guidance:
- NHS England: A bite size guide to grants to voluntary sector:
  https://www.england.nhs.uk/wp-content/uploads/2015/02/nhs-bitesize-grants.rb-170215.pdf
- Inspiring Impact: Funders' principles and drivers of good impact practice:
  http://www.acf.org.uk/downloads/publications/Funders_Principles_and_Drivers_of_Good_Impact_Practice_2013.pdf
- Association of Charitable Foundations: www.acf.org.uk
- Institute of Fundraising: Grant Making Trusts Guidance: http://www.institute-of-fundraising.org.uk/code-of-fundraising-practice/guidance/grant-making-trusts-guidance/