Grants Management Unit
Director's Office
Nevada Department of Health and Human Services

Best Practices in Grantmaking

BACKGROUND

In the fall of 2014, staff of the Grants Management Unit (GMU) in the Director's Office of the Nevada Department of Health and Human Services (DHHS) began to prepare for the competitive solicitation for SFY16-17 grant awards. Historically, each time a Request for Applications (RFA) is published, applicants are surveyed and staff analyzes the process to identify strengths and weaknesses. However, for the SFY16-17 process, staff made a decision to go one step further and research best practices nationally in order to make the most effective changes possible.

KEY FINDINGS

- **Practices Matter**
  Grants Management Network (www.gmnetwork.org) is a national organization whose mission is "to improve grantmaking by advancing the knowledge, skills, and abilities of grants management professionals and leading grantmakers to adopt and incorporate effective practices that benefit the philanthropic community." The organization believes that practices matter. "Your grantmaking practices are one of the most public — and sometimes one of the only — expressions of your organizational values that grantseekers experience. How do you want the world to see you? Efficient and effective practices ensure that you direct the maximum amount of resources to mission — both yours and your grantees'. And sound practices and controls increase the public's confidence … enabling the field to continue its good work." The organization's guide to grantmaking begins with five core questions that formed the initial basis for revision of the GMU's process.
  - Does our grantmaking align with our intentions?
  - Are our grants structured to be successful?
  - Are we efficient in our internal processes?
  - Are we communicating effectively?
  - Does our process strengthen and support grantees?

- **Purposeful Grantmaking**
  Purposeful grantmaking is a common thread among funders who are serious about making a difference. For the GMU, this spurred a greater effort to align programs with the mission and long-term goals of public and private entities that are leading the way toward permanent change. Likewise, the concepts of collaboration and collective impact are also embraced by the most progressive funders. These ideologies are best represented in two of

the many RFAs that staff studied, and also via a national webinar presented after the GMU published its SF16-17 RFA.

- o United Way of Southern Nevada's 2014 Request for Proposals was strategically separated into specific focus areas with missions, visions, target populations and indicators of success. They invited applicants to enter into a partnership with UWSN, to share its vision for change, and "to implement a collective plan of action to make this vision/change demonstrable."
  http://uwsn.org/wordpress/wp-content/uploads/RFP-2014-Final.pdf
- o The Bill and Melinda Gates Foundation's 2014 Request for Proposals is no longer accessible online, but a copy can be made available if requested. The purpose of this particular RFP was "Strengthening Collaborations to Close Opportunity Gaps for Low-Income Communities and Communities of Color." The authors of the RFP stated that their "goals and strategies are built on partnerships with the public, private, and nonprofit sectors so that, together, we can create pathways to opportunity for all children and families in our region. Through this Request for Proposals (RFP), we aim to fund community-based collaborative efforts."
- o FRIENDS National Resource Center (NRC), which focuses on the prevention of child abuse and neglect, presented a webinar in March 2015 about the value of collaboration and collective impact. The webinar was recorded and can still be viewed by clicking on the following link.
  http://friendsnrc.org/teleconference-and-webinar-archive/2015-teleconference-and-webinar-archive/501-mar-15-cbcap-plc-collective-impact

- **Organizational Strength**
  The Stanford Social Innovation Review published a research paper in 2008 that focused on the topic "Money to Grow On" http://ssir.org/articles/entry/money_to_grow_on). The intent was to encourage funders to invest in organizations with growth potential rather than restrict funding to specific programs within an organization. Although the funds distributed through the GMU have prohibitions that don't allow this particular kind of investment, some of the concepts in the research paper are useful for any funder. For example, the authors' conclusion that most funders "make grants that are too small to have a big impact" seemed to speak directly to the common practice of cutting program budgets in order to spread limited resources among more applicants. In the GMU's experience, this practice sometimes hinders an applicant's ability to achieve their proposed goals and, over the years, a few have even declined funding that was reduced to an amount that was deemed useless. The research paper was also helpful in its discussion of the seven characteristics that make an organization a good candidate for funding.
  - o The organization addresses a critical need.
  - o The organization has strong leadership.
  - o The organization has strategic clarity.
  - o The organization's programs are demonstrated successes.
  - o The organization's programs are cost-effective.
  - o The organization has grown successfully.
  - o The organization has a sustainable funding model.

Building on the idea that the success of grant-funded projects depends on a strong organization, the GMU continued to research this concept. Several sources provided good building blocks. Two of the most helpful originated from a private consulting company and the federal government.

- o A Portland, Oregon consulting company called Facilitation and Process, LLC, published a tool for non-profits in 2011 that covered the ten most important steps to developing a successful board of directors. Among other things, it emphasized mission, vision, strategic planning, building a board with intent, measuring performance and fostering a culture of learning. http://facilitationprocess.com/documents/10_Step_Board_checklist.pdf).

- o Over the past few years, the federal Office of Community Services has developed and is now implementing organizational standards for Community Action Agencies (CAAs) that receive Community Services Block Grant (CSBG) funds. The importance of a strong board of directors, strategic planning and effective leadership are among the hallmarks of these standards. http://www.communityactionpartnership.com/storage/cap/documents/OSCOE/Feb%202015/oscoe_developed_standards_seperated.pdf

- **Outcomes**
The GMU has historically required grantees to collect output data and also to measure the impact that services have on their client's quality of life. In grantmaking, this impact is known as an outcome. Today, the majority of the GMU's outcomes are standardized within program areas. However, the staff is continuously exploring ways to collect more meaningful information and also to align outcomes with the benchmarks and goals in relevant state and national strategic plans. Metaphorically speaking, the idea is to ensure that everyone is on the same train going to the same destination. This commitment to effecting real change led the GMU to some of the following websites and documents.

- o The Chronicle of Philanthropy: A Simple Tool to Show How You Are Measuring Progress (https://philanthropy.com/article/A-Simple-Tool-to-Show-How-You/195907)
- o The Compassion Capital Fund (CCF) National Resource Center of the federal Office of Community Services (http://strengtheningnonprofits.org/resources/guidebooks/MeasuringOutcomes.pdf)
- o The VNA Foundation: Creating Outcome Measures (http://vnafoundation.net/outcome-measures/)
- o Creating the Future: Creating and Measuring Real Outcomes (http://www.help4nonprofits.com/NP_CTF_Creating_Measuring_Outcomes.htm)

- **Beyond Outcomes – Holistic Thinking**
Grantmakers across all health and human services disciplines have arrived at the realization that providing services without considering the whole person is essentially no more effective than handing out Band-Aids. The highest quality, most impactful single service is still a single service that improves an individual's or a family's life in only one area. A ride to the doctor is valuable, but if the individual is also skipping meals or can't pay the utility bill,

then the ride itself cannot set the individual on a path to stability. To borrow from the DHHS mission, we should be helping individuals and families reach their highest level of self-sufficiency. Service integration is key to fulfilling that mission.

Another way of framing this concept is a health-related term, "Recovery-Oriented System of Care." The Treatment Strategic Plan adopted by Nevada's Advisory Committee on Problem Gambling (ACPG) requires providers funded by the State to incorporate this concept into their service delivery methods. At the national level, the Substance Abuse and Mental Health Services Administration (SAMSHA) published a guide in 2010 that addresses this concept. Meanwhile, the Centers for Disease Control and Prevention (CDCP) has developed a similar strategy that it calls Program Collaboration and Service Integration (PCSI).

- o SAMSHA Resource Guide
  http://www.samhsa.gov/sites/default/files/rosc_resource_guide_book.pdf
- o CDCP PCSI Guide
  http://www.cdc.gov/nchhstp/programintegration/docs/207181-C_NCHHSTP_PCSI%20WhitePaper-508c.pdf

- **Evaluation and Award Process**
  Nevada Revised Statutes that govern most of the funding streams feeding into the RFA process require that the Grants Management Advisory Committee (GMAC) review proposals and make award recommendations to the Department Director. Specifics of the process are designed by the GMU. In research conducted prior to the SFY16-17 RFA, GMU staff reviewed dozens of applications and step-by-step processes published online by other states and foundations. The common elements include many that traditionally been used by the GMU, but a few new ideas emerged. The following list provides the basic structure of a strong process.
  - o RFA announcements must include information about how applications will be evaluated and scored.
  - o Applicants must be kept informed in writing of the decision points during the process (e.g., disqualification, denial, acceptance).
  - o Review panels should include individuals with knowledge of the program area.
  - o Members of review panels should evaluate proposals individually, come together to discuss the proposals jointly, and then vote or come to consensus on award recommendations.
  - o Review panel members should disclose any conflicts of interest.
  - o Communication between review panel members and applicants is generally discouraged or prohibited. A few exceptions included private foundations that conduct formal site visits and/or structured interviews with applicants they intend to fund.
  - o The identity of review panel members is generally kept confidential.
  - o Scores should be supplemented with comments about the strengths and weaknesses of proposals so that applicants can easily identify areas for improvement.

One particularly in-depth and helpful document was published in 2013 by the Board of the Croation Science Foundation, which awards funding for research and bases its evaluation procedure on "principles of quality, transparency, equality of treatment, confidentiality, impartiality and efficiency and speed." (http://www.hrzz.hr/UserDocsImages/Project%20proposal%20evaluation%20manual.pdf)

CONCLUSION

The GMU strived to incorporate all of these best practices into the SFY16-17 RFA for Title XX, Children's Trust Fund and the Fund for a Healthy Nevada while maintaining compliance with the purpose and restrictions associated with each funding stream. Beginning with the overall philosophy on Page 2 of the RFA, applicants were introduced to the DHHS-DO GMU as …

> *A mission-driven grantor … seeking goal-oriented partners whose programs are focused on achieving positive outcomes.*

The specific missions, long-term goals and benchmarks driving the RFA were set forth in a user friendly matrix on Page 3, and each page thereafter provided the detail necessary for each applicant to ensure that their organization's mission and services were in alignment with the purpose of the RFA. Collaboration with other community partners was encouraged for applicants in some program areas and required for others. The application that accompanied the RFA incorporated numerous questions designed to help reviewers evaluate organization strength and the importance placed on establishing and achieving outcomes.

A highlight of the application was a new strategy intended to help the GMU ensure that its partners in the delivery of social services strive to approach client needs from a holistic viewpoint. The first step was to require applicants to think about the supplemental services that their clients most often need, and how the organization can leverage its role as point- of-first-contact to help clients access those services. The Service Matrix each applicant was required to submit will serve as a launching pad for growth in this area during the current biennium.

It is important to note that holistic service delivery methods, service integration and collaboration were also suggestions that arose during both the 2012 and the 2014 Statewide Community Needs Assessments conducted by the GMU on behalf of the GMAC. The best practices research conducted by the GMU validated the benefits of these philosophies.

- To quote the 2014 Needs Assessment, "**Integration of services** and the **inter-connectedness of need** were cited by many survey respondents and forum participants. People in need of assistance must visit and apply to multiple agencies to address all of their issues. One-stop shops and training case workers to take a holistic approach to assisting clients were named as possible solutions."

- To quote the 2012 Needs Assessment, a paradigm shift toward integrated service delivery is vital. "If you keep doing what have done, you will always get what you got."

The GMU is committed to continuous quality improvement, so work is already underway to strengthen the SFY18-19 RFA. One additional philosophy that may become a driver in the process is the idea that strong communities (not just strong organizations) build strong individuals and families. The authors of the Bill and Melinda Gates Foundation's 2014 Request for Proposals incorporated this ideology as it relates to a child's success.

"There is no single solution to poverty or inequity. However, we know that in order for children to be successful, they need:
- o *Families with stable housing that provides a secure platform on which to build success;*
- o *Access to high-quality early learning experiences so that they are prepared for kindergarten and school success;*
- o *Great schools and great educators that adapt to the personalized learning needs of racially and culturally diverse students; and*
- o *Strong, vibrant communities that have the capacity to drive inclusive reform efforts aimed at supporting families and children."*