DOING GOOD BETTER GOALS:

A FRAMEWORK FOR CHANGE

DOING GOOD BETTER

DEEPENING PHILANTHROPIC & NONPROFIT PARTNERSHIPS IN NJ

Doing Good Better, a partnership of philanthropy and nonprofit leaders, is an initiative taking action against the power imbalances and racial inequities in philanthropy, nonprofits, and government inspired by and building on years of nonprofit and community advocacy, the principles of "Trust Based Philanthropy," and numerous other resources. *Doing Good Better* invites all of us to reimagine relationships among funders, nonprofits, and government to create shared power rooted in collaboration, mutual trust, and respect. With equity as our north star, we seek to shift grantmaking culture, structure, leadership, and practice to reflect these core principles. Accessible, equitable, and mutually accountable relationships are primary and indisputable building blocks for a stronger society and thriving, resilient communities.

Introductory Affirmations

In approaching our work through Doing Good Better (DGB), we recognize basic facts and shared values which are shared with each of the initiative's goals. Here are the foundational affirmations for our work:

- **Funders have too much power:** Many grantmaker/nonprofit relationships are characterized by an inherent power imbalance that gives outsized control and decision-making to the funder.
- **Nonprofits have a valued voice; philanthropy must listen:** While most change will occur in philanthropy; nonprofits can accelerate this process by continuing to advocate to philanthropy for community and organizational needs and the resources needed to address them. Grantmakers must encourage this process by being receptive to, and acting positively on, the information and perspectives provided by nonprofits and community constituencies.
- **We all must progress from our varied starting points**: Grantmakers vary widely in their places on this spectrum of change, with some already far along on this journey, some at the very beginning, many somewhere in between, and others at various stages of readiness and authority to implement them. All funders, with significant input from broad and diverse constituencies, need to examine how to progress mitigating the challenges above.
- **Boards are critical for change to occur:** Involvement of boards is absolutely critical. Boards are the ultimate decisionmakers and direction-setters, and lasting change must be embraced at the board level.

Introductory Questions

We encourage grantmakers, starting with their governing boards, to consider these questions as you read ahead and return to answer them after you finish reading:

- In what ways are power imbalances present in your current grantmaking values, choices, processes, and practices?
- What are your strategic goals for eliminating power imbalances and how can you shift your grantmaking practices to accomplish these goals?
- How should your grants processes be structured to support equitable and effective grantmaking?
- What skills and knowledge are needed to make the changes in grantmaking practices starting on the next page that align with your organization's values?

DGB GOALS

The DGB steering committee encourages funders to focus on and advocate for **four** (4) changes that can make an immediate difference in addressing power dynamics between nonprofits and funders and maximizing nonprofit impact. These goals are aligned with Trust Based Philanthropy, and are interdependent; when combined, they foster equity and a spirit of mutual trust between grantmakers and nonprofit partners. Click on the title below to read more and learn how to advance these goals in your organization.

Goal 1. Center Equity: Small BIPOC, grassroots, and/or historically excluded -led organizations have greater access to funding 3

How to Begin Doing Good Better on Equity 3

Goal 2. Provide Flexible Funding: General Operating Support or General Project Support 4

How to Begin Doing Good Better on Flexibility 4

Goal 3. Provide Reliable Funding: Multi-year Grants 5

How to Begin Doing Good Better on Reliability 6

Goal 4. Reduce Paperwork Burden: Right Size Applications; Simplify Reporting 6

How to Begin Doing Good Better on Reducing Burden 7

Resources

There is a list of resources available on the CNJG Doing Good Better website to help organizations and foundations advance their efforts under the umbrella of this work.

Website

Resources

Goal 1. Center Equity: Small BIPOC, grassroots, and/or historically excluded -led organizations have greater access to funding

Affirmation: We must center the most marginalized, underfunded, and impactful organizations.

BIPOC, grassroots, and/or historically excluded[i] leaders are the most proximate to the populations and communities that face the most pressing social issues and should be central to designing solutions and funded; yet they are often overlooked or ignored as real change-makers. They are underinvested in by major funders and are often left to struggle on their own; and when they are funded, grants are small and often highly restricted. Some funders have artificially high budget requirements, require collaboration with larger "more sophisticated" organizations, won't fund fiscally sponsored groups, or emphasize leadership requirements that are increasingly out of date or exclude vital lived experience. Community organizations are exploring innovative and egalitarian management structures, such as co-directorships, collectives, and collaboratives, that do not resemble the constructs of the past. Leadership comes in all structures, sizes, and identities; funders must seek to recognize and fund those who are doing effective work and re-evaluate their views of accepted leadership patterns. For BIPOC, grassroots, and/or historically excluded leaders to succeed, we must provide flexible resources and professional development support while they are leading.

How to Begin Doing Good Better on Equity

Learning opportunities

- Which criteria and practices are creating, perpetuating or exacerbating exclusion of BIPOC, grassroots, and or historically excluded-led organizations?
- For funders that exclude or limit funding to small organizations, why are these barriers in place? What biases or missed opportunities are resulting from these obstacles?
- When funders are actively prioritizing BIPOC, grassroots, and historically excluded -led organizations in their philanthropic partnerships, what definitions, outreach, and partnership strategies are being used? How has this evolved based on lessons learned?

Pre-Work

- Funders should become educated about how traditional ways of identifying grantees and other criteria often excludes BIPOC, grassroots, and/or historically excluded-led organizations.
- Actively seek and share ways to center, identify, fund, and partner with applicants or community-based partners to create solutions in all efforts.

- Identify forums or protocols for introductions, dialogue, and relationship-building between funding community and BIPOC, grassroots and/or historically excluded-led organizations to pave the way for ongoing or stronger partnerships.

Activities

- Agree as a community of practice to a shared definition of BIPOC, grassroots, and/or historically excluded-led organizations to foster a common frame of reference to help guide this work.
- Create networking and referral opportunities for BIPOC, grassroots, and/or historically excluded leaders to expand their access to funding and opportunities similar to that of larger, mainstream groups.
- Invest in the development and pipeline of BIPOC, grassroots, and/or historically excluded leaders.
- Remove funding barriers for small BIPOC, grassroots, and/or historically excluded organizations that have traditionally been precluded from funding because of budget size, leadership structure, auditing requirements, and similar obstacles.
- Actively partner with BIPOC, grassroots, and historically excluded organizations to make funding decisions on issues closest to their communities.
- Provide significant, multi-year, general operating funding to organizations and movements led by BIPOC, grassroots, and/or historically excluded communities.

Goal 2. Provide Flexible Funding: General Operating Support or General Project Support

Affirmation: Funds with the least restrictions are the most valuable.

Nonprofits maintain and strengthen their organizations when their funds are unrestricted. Data shows flexible and reliable funding increases impact when nonprofit leaders have control over how funds flow to meet the needs of their constituents and internal operations, as demonstrated during the pandemic when funders released previously restricted funding. General operating support (GOS) funding signals trust in our partners and can open more honest dialogue about meeting the mutual goals of the funder and nonprofit. Funders who make project or program grants should trust the organization and provide flexible funding within a specific program.

How to Begin Doing Good Better on Flexibility

Learning opportunities

- Why aren't some funders planning to award GOS or negotiate GOS?
- If you participated in CNJG's 2022 funder survey and indicated that you planned to initiate GOS, have you done so?
- Why are some grants restricted?

- What would it take for your foundation to change?

Pre-Work

- Seek and share learning opportunities for funders, prioritizing education of foundation boards, to address the barriers to awarding GOS and understand how restricted funding undermines financial sustainability.
- For funders who already regularly provide GOS funding, educate/advocate for others to do the same.
- Learn how GOS/negotiated GOS strengthens grantee partners and the multiple ways they can use and evaluate GOS. Actively seek insights from nonprofits to reinforce the message about GOS in their funding partnerships.
- As an incremental step for funders that are not receptive to GOS, provide education about negotiated general programming support (flexible funding within a mutually agreed-upon program area, as opposed to organization-wide GOS).
- Share promising practices on evaluation of GOS and negotiated GOS.

Activities

- Provide grants as unrestricted organizational general operating support. The long-term ideal is for most, if not all, grants to be 100% GOS, unless a funder is legally precluded from doing otherwise.
- If not ready for overall GOS, shift GOS activity incrementally (example: 30% more grants shift from program to GOS, or from fully restricted to negotiated GOS).
- For project/program grants, 100% of the grant awarded is unrestricted (negotiated GOS), applying mission-based and mutually negotiated outcomes.
- Create a shared understanding of the meaning and importance of full-cost budgeting and real-cost funding.
- Trust nonprofit partners to know how to best apply their funding.

Goal 3. Provide Reliable Funding: Multi-year Grants

Affirmation: Multi-year funds provided both reliability and breathing room for nonprofits.

Making fundamental and long-lasting change comes with the promise of reliable investments. Longer grant terms create an environment where collaborative partnerships can flourish, and trust and transparency break down power dynamics. The result is that nonprofits have the “breathing room” and financial stability to focus activities where they are most needed.

Although many funders award grants to the same nonprofits year after year, they often require submission of annual applications that request information they already have, and are complex and

needlessly lengthy. These processes can heighten mutual distrust. From a practical standpoint, multi-year awards reduce paperwork for both funder and nonprofit and open communication channels promoting shared goals, mutual trust, and increased overall impact.

How to Begin Doing Good Better on Reliability

Learning opportunities

- What barriers keep funders from making long-term commitments to repeat grantee partners? Are any of these barriers legal requirements?
- What are the minimum data requirements for funders to collect from repeat grantee partners?

Pre-Work

- Address the barriers to awarding multi-year grants through tested tools.
- Learn about how multi-year grants strengthen grantee partners and improve philanthropic, nonprofit, and community impact.
- Research mechanisms funders can use to meet legal compliance requirements while gaining trust in their grantee partners.

Activities

- For funders that historically award repeat annual grants to the same nonprofit partners, shift from an annual grant/proposal cycle to a long-term, multi-year commitment with an annual outcomes/progress report in lieu of a full application.
- Tailor grant terms to suit grantee timelines and needs (negotiated outcomes and milestones).
- If data collection is required solely to meet a funder's compliance requirements, the funder should assume this responsibility, or provide sufficient funding and/or capacity for the nonprofit to meet the requirement.

Goal 4. Reduce Paperwork Burden: Right Size Applications; Simplify Reporting

Affirmation: Paperwork hinders us all.

Duplicative or complex proposal and reporting requirements divert time and resources for both nonprofits and philanthropy, needlessly burdens nonprofit partners and siphons scarce resources away from where they are most needed. Funders can lessen the burden on grantee partners by streamlining the application and reporting processes, especially for repeat grantee partners; decreasing the required data to only the most necessary for decision-making; taking on some of the burden of data collection by gathering data from central repositories such as Candid (formerly GuideStar) and the IRS; and retain and use data already collected from repeat grantees. Funders should require updated information such as

annual budget, staffing, board member changes, etc., in their grant applications only when the nonprofit is the only source for this information. Collaborate with other local funders and agree to common GOS application questions and budget templates; streamline tools through technology and offer innovative ways for organizations to apply for and report out on grants; limit written requirements to information that is relevant to the request and which moves the needle on critical social issues.

How to Begin Doing Good Better on Reducing Burden

Learning opportunities

- For funders who do not right-size their applications, what are the barriers to reducing paperwork?
- Who is making the decisions about the application and reporting requirements, and how can they be reached to encourage change? How can we involve more board members of funders in this effort?
- For funders who require reports, determine what is "nice to have" vs. what is needed and used and consider eliminating the rest; what are expeditious ways to collect data including accepting other funders' reports?
- Which funders who make multi-year grants require a full application for the first year and updates for subsequent years?

Pre-Work

- For funders who already report tailoring their applications, consider how to further simplify processes for grantees; share these practices with other colleagues in philanthropy.
- Learn how information is collected without burdening the applicant.
- Review and implement recommendations already provided by nonprofit networks and philanthropy-serving organizations for concrete examples such as centralized document repositories; allowing nonprofit partners to re-use other proposals and reports; holding check-in meetings in lieu of written reports; and other helpful practices.
- Seek promising practices of funders who use site visits as opportunities to build trust and understand the programs and organizations they support instead of as compliance reviews.

Activities

- Reduce rigidity and increase the flexibility of what nonprofits must submit for their applications in creative, egalitarian, and less burdensome ways.
- All funders right-size their application and report requirements relative to the grant amount.
- Shift from reports to conversations or other lower time-intensive means.
- Develop agreed-upon common questions for use across the philanthropy sector for general operating support grant applications.
- Explore the efficacy of using common applications for general operating support grants.

- Change site visits for compliance to goals of learning.
- Consider developing a central data repository for New Jersey nonprofits and funders, where applicants can submit and update basic information once a year, and funders can access the necessary information.[ii]

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[i] WORKING DEFINITION–Any group of people that has been historically excluded from full rights, privileges and opportunities in a society or organization. This term is fluid dependent on time and location, but in this context might include people who identify as Black or African American, Latinx/Hispanic, Asian and Pacific Islanders, Native American and Indigenous Peoples, Middle Eastern, LGBTQ+, Non-Christian (e.g., Islam, Judaism, Hinduism, Agnosticism, Atheism, etc.), low-income, immigrant, first-generation U.S. citizens, English language learners, having a disability, or other people. (SOURCES: *https://diversityofficermagazine.com/cultural-competence/diversitypedia/heq/; https://seramount.com/research-insights/glossary-diversity-equity-and-inclusion/; and https://pcacac.memberclicks.net/assets/docs/SummerInstitute/2021SummerInstitute/C3%20-%20Historically%20Excluded%20Groups.pdf*)

[ii] See, for example, SMU DataArts (formerly the Cultural Data Project), https://culturaldata.org, a nationwide research and data repository for the arts and cultural community. DataArts serves as a collector and clearinghouse for a wide array of data, which funders can access instead of requiring nonprofits to provide it separately.