

GMN Body of Knowledge 2.0

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A body of knowledge (BOK) is generally described as a compendium of what an individual must know to accomplish work in a specific field. GMN's BOK is not a study guide for a potential certification exam, but rather a guiding framework in which generally accepted and testable knowledge is housed alongside more specialized and leading-edge knowledge. It establishes the shared framework and common language required for an improved flow of knowledge. Used in conjunction with the GM Guide, the BOK will enable GMN to more efficiently develop and adapt its content, training, and educational materials as the profession changes.

12 Knowledge Domains:

1. Nonprofit and Philanthropic Sectors
2. Guidelines and Applications
3. Grantmaking Practices
4. Monitoring and Evaluation
5. Accounting and Financial Analysis
6. Legal and Tax Compliance
7. Staffing and Operations
8. Policies and Procedures
9. Project Management
10. Communications
11. Technology
12. Ethics

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1. The Nonprofit and Philanthropic Sectors

This domain provides an overview of the history, growth, and current nature of the nonprofit and philanthropic sector. It describes the sector's relation to the government and for-profit sectors and its relative impact on our society. It explores how philanthropies and nonprofits are organized to function and interact in the grantor-grantee relationship. Grants managers and their grant-making institutions can function more effectively when their work is grounded in a well-rounded understanding of the sector and when they keep abreast of issues affecting the sector.

- A. History of U.S. nonprofits and organized philanthropy
 - 1. Origins and development of nonprofit organizations
 - 2. Origins and development of private foundations
 - 3. History of corporate foundations
 - 4. Community foundation movement
 - 5. Patterns of growth in the foundation field
 - 6. Historical trends in grantmaker support of nonprofits across regions, program areas, etc.

- B. Current state of the nonprofit sector
 - 1. Size, composition, structure, and role of the nonprofit sector in the US
 - 2. Nonprofit sectors role in major fields of health care, education, social services, and culture and the arts
 - 3. Major National Center for Charitable Statistics/National Taxonomy of Exempt Entities categories and characteristics of support and operation of those organizations
 - 4. Employment and economic impact of nonprofit sector
 - 5. Relations with public and private sectors
 - 6. Current issues from external evaluations of the nonprofit sector
 - a. Better Business Bureau/Wise Giving Alliance
 - b. CharityWatch.org

- C. Current state of philanthropy
 - 1. Foundation Center data on philanthropy
 - a. Fiscal data of grantmaking foundations
 - b. Foundation assets by region, type, etc.
 - c. Grants by major subject categories
 - d. Major field-specific recipient types
 - e. Major types of support
 - 2. Types of philanthropies and their distinguishing characteristics
 - a. Private independent foundation
 - b. Private operating foundation

- c. Private family foundation
 - d. Community foundation
 - e. Corporate foundation
 - f. Other corporate giving program
 - g. Donor-advised funds
 - h. Individual donors
 - i. Public charity grantmaker
3. Support infrastructure for grantmaking organizations
 - a. The support industry for philanthropy
 - (1) Outsource funding vehicles (donor advised funds, Foundation Source, JK Group)
 - (2) Consulting services (Center for Effective Philanthropy, Information Age Associates)
 - b. Major peer organizations and their activities (Council on Foundations, Forum of Regional Associations of Grantmakers)
 - c. GIFTS, Guidestar, and other technologies to support the sector
 4. Theories of the role of foundations in modern society
 5. Current issues in foundations
 - a. Funding overhead and general support
 - b. CEP grantee perception reports
 - c. Project Streamline
 - d. Philanthropy in a time of economic uncertainty
 - e. Pension Protection Act (H.R. 4)
 - f. Equivalency Determination Repository
- D. Government-nonprofit relations
1. Development of the US Tax Code for exempt organizations, 1894-Present
 - a. Major exempt organization legislation
 - b. Basic principles and requirements of tax exemption
 - c. Business activities of tax-exempt organizations subject to taxation
 - d. Definition and regulation of private foundations as a subset of tax-exempt organizations
 - e. Significant modifications to the tax code for exempt organizations subsequent to the Tax Reform Act of 1969
 2. Evolution of government-nonprofit sector relations in the US
 3. Basic models of government-nonprofit relations and underlying theories
 4. Different ways and means of state support of nonprofit activities
 5. Public-private partnerships
- E. IRS oversight of nonprofit sector
1. Application process for nonprofit status
 - a. Organizational documents
 - b. Key elements of IRS form 1023

2. IRS determination of nonprofit status
 - a. The range of IRS classifications for exempt entities
 - b. Advance ruling, final determination and related recent IRS changes
 3. Annual tax filing
 - a. Key GAAP/FASB principles for preparation of nonprofit audited financials
 - b. IRS form 990 and other tax filing requirements for various exempt entity types, including recent changes
 - c. Public support test for nonprofits to retain IRS status and what funders need to know about tipping
 4. IRS audit of exempt entities
 - a. Audit process
 - b. Related recordkeeping (see GM Staffing and Operations)
 - c. Current IRS areas of interest/focus for audit and methodology for audit selection (e.g., executive compensation, nonprofit hospital indigent care, and self-dealing)
 5. Nature of state attorneys general oversight of nonprofits
- F. Philanthropy organizational issues (see GM Staffing and Operations)
- G. Nonprofit organizational issues
1. Contents of key organizational documents (i.e., articles of incorporation, by-laws, board minutes)
 2. Strategies, structures, and best practices of healthy nonprofit organizations
 - a. Independent Sector accountability guidelines
 - b. Principles for self-regulation
 - c. Lifecycle and capacity models of nonprofit organizational development
 - d. Staffing structure, segregation of duties, checks and balances
 3. Organizational structure for grant-seeking and foundation relations
 - a. University sponsored programs and other specialized departments
 - b. Foundation relations within a development office
 - c. Small nonprofits and decentralized foundation relations
 - d. Systems and policies for tracking foundation proposals and compliance with grant terms
 4. Nonprofit fundraising
 - a. Research and cultivation of potential funders
 - b. Development of proposals
 - c. Resources for grant-seekers, such as Foundation Center
 - d. Submissions and awards tracking
 5. Key sources of revenue for nonprofits
 - a. Earned income
 - b. Private giving
 - c. Individual donors and bequests
 - d. Foundations
 - e. Corporate giving

- f. Government funding
- g. Current data on nonprofit sources of revenue
- 6. Other nonprofit financial matters
 - a. Nonprofit endowments and prudent reserves
 - b. Investment and cash management policies
 - c. Bookkeeping or accounting and related staffing and systems
- H. Funding issues related to foreign nonprofits and other vehicles for charitable activity
 - 1. Foreign nonprofits in comparison to U.S. nonprofits
 - 2. Intermediary organizations
 - 3. Social ventures and other for-profits
 - 4. Individuals (non-scholarship)

2. Guidelines/Applications

This section outlines characteristics of effective funding guidelines and ways to promote transparency and accountability towards grantseekers. It discusses the different types of application process that grantmakers follow and how they handle and review requests. It addresses pre-award site visits and other due diligence activities. The grants management professional should be familiar with common ways that grantmakers manage this process and competent to advise on appropriate methods for a given funder.

- A. Characteristics of effective funding guidelines
 1. Prominent mention of mission, goals, strategies
 2. Individual program area descriptions and/or detailed descriptions of priorities
 3. Deadlines for applications or an explanation of rolling basis
 4. List of funded grantees
 5. Answers to frequently asked questions
 6. List of suggested resources in addition to foundation-provided materials
 7. List of staff contact information
 8. Downloadable application
 9. Detailed descriptions of funded grantees and projects
 10. Examples of “not funded” grantees and projects
 11. Glossary of terms for use by applicants

- B. Transparency and accountability in the application process
 1. Establishing customer service benchmarks
 2. Effective practices to monitor and consistently meet service standards
 3. Communicating benchmarks and the review process to applicants
 4. Principles of zero-based information gathering in setting application requirements
 5. Common scenarios for flexible application requirements
 6. Characteristics of effective applicant screening mechanisms

- C. Benefits and challenges of different types of applications
 1. Unsolicited: open process to which anyone who fits the guidelines can apply
 2. Solicited: closed process in which applicants must be invited to submit an application
 - a. Single-stage: full proposal is the only step in the application process
 - b. Two-(or multi-) stage
 - (1) Letter of Inquiry (LOI)
 - (2) Possible intermediary stages

(3) Full proposal invited based on review of LOI or materials gathered in intermediary stages

3. Request for Proposals (RFP)
 - a. Private: open to RFP recipients only
 - b. Public: open to anyone who fits the general criteria outlined in the RFP

D. Requirements for application contents

1. Contact information
2. Organizational information
3. Project information
4. Financial and budget information
5. Project evaluation framework

E. Characteristics and considerations for selecting paper or electronic application processes

1. Web-based applications
2. Application materials submitted electronically as email attachments
3. Paper/hard copy
4. Regional Associations of Grantmakers (RAG) common proposal formats

F. Handling funding requests

1. Systems to track requests
2. Classification and coding of requests
3. Proposal application checklist

G. Proposal review activities

1. Determining selection criteria
2. Characteristics of a good proposal
3. Principles of budget review
4. Assessing organizational capacity
5. Assessment of project/program viability
6. Assessing proposal fit with mission and funding priorities
7. Proposal aspects that can require legal review
8. Confirmation of authorized staff sign offs
9. Review to detect tipping issues
10. Using outside experts for proposal review

H. Conducting pre-award site visits

1. Determining need for a site visit
2. Managing expectations
3. Timing of the site visit
4. Setting the agenda
5. Field notes and follow-up
6. Declining requests after site visits
7. Using consultants for site visits

I. Pre-award due diligence activities

1. Tax exempt status verification
2. Analysis of financial statements
3. Methods to assess managerial competence, operational capacity, financial health, and board capacity and oversight
4. Identification and resolution of organizational capacity or development issues
5. Review of 3rd party resources (Charity Navigator, Wisegiving Alliance, GuideStar)
6. Assessment of project/program viability
7. Alignment of project/program with mission of organization
8. Legal review
9. Review to detect tipping issues
10. Communication with other funders and people with relevant expertise

J. Preparation and presentation of the grant docket for board review

1. Managing the process
2. Making the case for support
3. Common docket templates and presentation formats

K. Responding to proposals

1. Acknowledgements
2. Requesting more information
3. Proposal revision
4. Reasons for declining a proposal
5. Strategies for declining a proposal
6. Informal notification of award

3. Grantmaking Practices

This section provides an overview of the major grantmaking models and objectives, as well as the types of grants employed to achieve these objectives. In addition, this domain covers common grant agreement elements and grant reporting standards. With knowledge of the various award types and options for award letter language, the grants manager can advise program leadership on the appropriate award configuration to achieve the goals of a given grant.

A. Major Models of Grantmaker Programming

1. Responsive Grantmaking
2. Strategic Grantmaking
3. Proactive Grantmaking
4. Initiative Grantmaking

B. Major Grantmaking Objectives

1. Service delivery
2. Policy and advocacy work
3. Humanitarian aid and overseas development assistance
4. Technical assistance and capacity building
5. Education assistance/support for individuals
6. Quantitative grantmaking
7. Emergency/disaster support
8. Corporate identity and reputation management

C. Instruments for Achieving Major Grantmaking Objectives

1. Specific project grants
2. General support grants
3. Program-related investments
4. Capital endowment grants
5. Fellowships/scholarships
6. Conditional grants
7. Challenge/matching grants
8. Use of fiscal sponsors
9. Use of logic model/logframes, performance measures and other management tools
10. Expenditure Responsibility
11. Multi-year and annual renewal grantmaking

12. Founder-specified grantees
13. Exit strategies, tie-off grants
14. In-kind support (e.g., pro bono services, events, product donations)
15. High Engagement/Venture Philanthropy
16. Membership grants
17. Grants that often bypass standard review methods (e.g., emergency/disaster grants, trustee's discretionary funds)
18. Social investing grants

D. Common grant agreement elements and language

1. IRS references and required language (e.g., expenditure responsibility, public charity, individual grants)
2. Optional language tied to grant specifics or foundation policies
 - a. Payment and reporting schedules
 - b. Funding overhead/indirect costs
 - c. Handling of interest income
 - d. Up-front, installment, reimbursement, performance-based payment
 - e. Intellectual property, work product disposition, royalty disposition
 - f. Matching requirement
 - g. Amendments, modifications, extensions
 - h. Handling of residual funds
 - i. Setting performance benchmarks
 - j. Establishment of nonprofit and foundation contact people for the grant
 - k. Anti-terrorism language, OFAC/Patriot Act compliance
 - l. Recognition acknowledgement protocols (press releases, attribution, etc.)
 - m. Jurisdiction in the event of litigation
 - n. Permission to publish/fair use issues
 - o. Mandatory events, such as attending learning sessions

E. Grant reporting standards

1. Principles of grant financial reporting and common report formats
2. Principles of grant narrative reporting and common report formats
3. Other common report types and performance measures established at the time of award

4. Grant Monitoring & Evaluation

This domain covers the range of grantmaker perspectives on monitoring and evaluation activities to be undertaken during and after the grant period. Funders pursue these activities to determine if a grantee has achieved the goal(s) outlined in their proposal and/or if the grantmaking program is achieving its goals. For the grants manager, findings can relate to an IRS compliance issue, affect the terms of continued funding of the grantee, or have a more general impact on the funder's grantmaking. While grants manager involvement with these activities varies, a career professional can expect varied responsibilities under different employer monitoring and evaluation frameworks over the course of their career.

- A. Relation and distinction between monitoring and evaluation
 1. Working definitions of each term
 2. Respective activities and goals of monitoring and evaluation
 3. Benefits of monitoring and evaluation activities
 4. M&E role in the grant cycle

- B. Infrastructure for report collection, review, dissemination and evaluation
 1. Defining staff roles and division of labor in report follow-up and review process
 2. Establishing basis for program, grants, other staff review and approval of reports
 3. Common practices for tracking reporting deadlines and issuing reminders
 - a. Administrative reports and other features of a grant tracking system
 - b. Conducting time-based analysis on aggregate reporting compliance data
 - c. Protocols for written, email, or telephone report reminders
 4. Establishing grant tracking system coding for proper data tracking and monitoring to meet evaluation goals
 5. Policies for grantees that do not comply with reporting requirements
 - a. Blacklisting under IRS expenditure responsibility or individual grantmaking rules
 - b. Withholding payment installments or renewal awards for delayed or unsatisfactory reporting

- C. Identifying and addressing common issues in report content
 1. Concerns with deadlines, format, content requirements (defined in grant award domain)
 2. Organizational issues (e.g., management problems and key staff changes)
 3. Financial issues
 - a. Overspending/underspending/unapproved spending
 - b. Financial information conflicts with narrative reports
 - c. Payment schedule and other cashflow/cash management issues
 - d. Problems uncovered in financial statement audit
 4. Programmatic issues

- a. Lack of clarity on what is behind the numbers
 - b. Comparing progress against milestones
 - c. Participants not being served or gaining desired results
5. Grant modifications
- a. Budget revisions/reallocations
 - b. Change of scope or purpose
 - c. Time extensions
 - d. Organization/personnel changes
 - e. Changes in amounts, reductions, cost overruns
 - f. Transfers to different entity
 - g. Regranting (tied to policy & procedures)
 - h. Refunds
 - i. Rescissions and cancellations
- D. Conducting grantee site visits
1. Site visits and their value
 - a. Relationship/partnership building with the grantee
 - b. Understanding the project beyond the written proposal and reports
 2. Site visit activities
 - a. Observation of activities and meeting with primary personnel
 - b. Review of supporting documentation for grant expenses
 - c. Review of internal controls
 - d. Budget management
 - e. Cash management
 - f. Fundraising diversification
 - g. Board minutes on fiduciary role
- E. Other midterm monitoring (phone calls, follow-up on periodic reports)
1. Verification that grantee's project is on-track for results or achieving objectives
 2. Verification they are financially able to complete the project.
 3. Feedback to the Grantee (tied to communications)
 - a. Report receipt acknowledgment
 - b. Communicate approval of reports
 - c. Feedback based on grantee's reporting/site visits
- F. Evaluation basics
1. Core tasks of evaluation process
 2. Core questions addressed through evaluation
 3. Evaluation models

- a. Process evaluation
 - b. Outcome evaluation
 - c. Impact evaluation
 - d. Formative evaluation
4. What is monitored and evaluated
 - a. Inputs
 - b. Outputs
 - c. Outcomes
 - d. Impacts
 5. Performance indicators
 6. Common tools for data collection
 7. Common concerns about evaluation
- G. Developing a monitoring and evaluation plan
1. Starting the organizational conversation about evaluation
 2. Identifying back-end reporting needs of internal and external stakeholders
 3. Establishing goals of grantmaking program (i.e., what do you want to achieve? What results do you want to invest in?)
 4. Understanding the theory of change
- H. Conducting evaluations
1. Types of evaluation
 - a. Individual evaluations
 - b. Cluster evaluations
 - c. Evaluations of a group of types of grants
 - d. Evaluating the organization's grantmaking as a whole
 2. Metrics required to measure achievement of goals
 - a. Outcome-based
 - b. Impact-based
 - c. Results-based (Investing for Results)
 - d. Data needed for program improvement
 3. Grantee limitations on providing data
 - a. Reasonableness: expectation of what data grantees are asked to provide is in proportion to the grant amount they received
 - b. Potential need for grantee compensation for gathering data
 - c. Mutual benefit: data gathered may not be mutually beneficial between grantee and funder
 4. Funder limitations on gathering and analyzing data

- a. Staffing resources needed for thorough data analysis
 - b. Reasonable expectation that the data provided is for the greater good
 - c. Data gathered may not be mutually beneficial between grantee and funder
- I. Preparing and using the final assessment of the grant (from report review, site visits, other monitoring efforts)
1. Assess key outcomes and products
 2. Consider lessons learned and their application for future action at project or program level
 3. Presentation of assessments at program or institutional level
 - a. Aggregate reporting by different categories, use of charts and graphs
 - b. Reporting to management and other internal audiences
 - c. Communicating grant and program assessments to the public
- J. Closing a grant
1. IRS and audit requirements
 2. Internal policies/practices to ensure audit-ready files
 3. Grant file retention (see Staffing and Operations)

5. Accounting and Financial Analysis

This section describes the key accounting concepts grants managers need to know to ensure compliance and proper financial stewardship in grantmaking. Grants managers should also be able to understand internal financial reports, the analysis of grantee financial reports and budgets, and the variety of accounting policies that determine the appropriate treatment of certain grant transactions.

- A. Accounting personnel roles and functions
 - 1. Chief Financial Officer (CFO)
 - 2. Controller or treasurer
 - 3. Finance committee/audit committee
 - 4. General accountant
 - 5. Accounts payable/accounts receivable
 - 6. Internal auditor
 - 7. External auditor

- B. How grantmaking activity is represented in financial statements
 - 1. Statement of financial position
 - a. Assets to include sources and program-related investments
 - b. Liabilities to include outstanding grant commitments
 - (1) Recoverable or not (differing treatments?)
 - (2) Valuing multi-year, multi-installment grants
 - 2. Statement of activities
 - a. Expenses: to include grant & program expense
 - b. Differing treatment of admin expenses vs. direct charitable activities
 - c. Grants paid during the year
 - d. Grants approved for future payment (awards)
 - e. Supplementary information

- C. Requirements of IRS form 990, 990-PF and other grantmaker tax filings
 - 1. Qualifying distributions
 - 2. Reporting direct charitable activities
 - 3. Grants paid vs. grants awarded
 - 4. IRS reporting requirements for ER, PRI, individual, and public charity awards
 - 5. Other tax return sections that present grant-related information
 - 6. Excise tax scenarios (e.g., disqualified persons; prohibited activities)
 - 7. Minimum distribution requirement

- a. Requirements under IRC Sec 4942
 - b. Calculation and adjustment
 - c. Common strategies for managing payout
- D. Accounting treatment of various grant scenarios
1. Accrual of grants
 2. Incoming donations
 3. Donor-advised funds
 4. In-kind contributions, contributed services
 5. Equipment grants & depreciation
 6. Endowment grants
 7. Challenge grants and matching grants
 8. Individual grants
 9. International grants – equivalency determination
 10. Fiscal agents
 11. Financial intermediaries
 12. Conditional grants
 13. Multi-year grants
 14. Third-party payments (on-behalf of)
 15. Rescissions
 16. Returned grants
- E. Grant payment processing
1. Payment of grants vs. contracts vs. direct charitable activities
 2. Strategies for coordinating payment schedules
 3. Workflow of various payment methods (checks, electronic funds transfers, stock transfers)
 - a. Validating wire information and receipt
 - b. Cancelling/reissuing checks
 - c. International payment issues
 - (1) Foreign currency
 - (2) Use of corresponding banks
 4. Payment scheduling alternatives and valuation(e.g., lump-sum vs. period)
 5. Conditional payments (e.g., response to reports or milestones)
 6. Payment tracking & periodic reports
 7. Audit-ready files and process documentation

8. Charitable contribution receipts (IRS requirement for corporate grantmaking foundations)
 9. Office of Foreign Assets Control (OFAC) compliance
- F. Pre-award financial assessment of grantees
1. Reading and learning from proposal financial documents
 - a. Project budget
 - b. Organization-wide budget
 - c. Audited financial statements
 - d. IRS tax return
 2. Common project budget formats
 - a. Expense category based
 - b. Activity-based
 - c. Line item budgets
 - d. Milestone-based
 3. Reading audited financial statements
 - a. Auditor's report and management letter
 - b. Statement of financial position
 - c. Statement of activities
 - d. Statement of cash flows
 - e. Notes to financial statements
 4. Analyzing audited financial statements
 - a. Common questions to consider
 - b. Common financial ratios for nonprofits
 - c. Online resources for grantee financial analysis (Guidestar, Charity Navigator)
 5. Important sections of IRS form 990
 - a. Part II, statement of functional expenses
 - b. Part III, statement of program service accomplishments
 - c. Part V, list of officers, directors, trustees, key employees
 - d. Part VI, other information
 - e. Schedule A
 6. What can be learned from IRS form 990
 - a. Breakdown of program, management, fundraising expenses
 - b. Board members
 - c. New activities or changes in governance process
 - d. Self-dealing transactions
 - e. Program activities and expenditures
 - f. Highest paid employees and contractors
 - g. Funding and other revenue sources
 - h. Related party transactions
 - i. Lobbying expenses

6. Legal/Tax Compliance

This domain outlines federal and state legal and tax compliance issues that grants management professionals need to understand in order to ensure that their organization's grantmaking activities do not jeopardize its legal status or expose it to financial penalties. Grants managers know that IRS rules allow for creative and flexible solutions for grant scenarios that vary from the typical project support to a U.S. public charity. For atypical funding scenarios, such as grants to a for-profit entity or grants to organizations that conduct lobbying or advocacy activities, the grants manager should be familiar with the range of legal options and propose solutions that support program goals and operations and balance risk and burden with the grantee.

- A. IRS Forms and their purpose regarding grant activities
 - 1. 990: Return of Organization Exempt From Income Tax
 - 2. 990-PF: Return of Private Foundation
 - 3. 990-EZ: Short Form Return of Organization Exempt From Income Tax
 - 4. 990-N (e-postcard): Annual Electronic Filing Requirement for Small Exempt Organizations (annual gross receipts < \$25,000)

- B. IRS determination and verification
 - 1. IRS Publication 78 Orgs
 - a. 501(c)(3): charitable, religious, scientific, educational, literary organizations
 - b. private foundations vs. public charity/foundation
 - c. 509(a)(1) public charities
 - d. 509(a)(2) public charities
 - e. 509(a)(3) supporting organizations
 - 2. Orgs with inherently public activities (not found in Publication 78)
 - a. Government instrumentalities or agencies
 - b. Churches (as defined by the IRS)
 - c. Tribal Organizations
 - d. Schools
 - 3. Other types of 501(c) organizations
 - a. (c)4 – Social Welfare, Local Associations of Employees, etc.
 - b. (c)6 – Business Leagues, Boards of Trade, etc.
 - 4. Actions that trigger penalties and excise taxes
 - a. Self-dealing rules prohibit transactions with “disqualified persons”
 - b. Taxable expenditures
 - c. Lobbying
 - d. Grants that do not further charitable purpose
 - e. Payout requirements
 - f. Jeopardy investments
 - 5. Methods of tax status verification

- C. Tipping public charities into private foundation status

1. Public support test
 2. Facts and circumstances test
 3. The funder's role in a potential tipping scenario
- D. Expenditure Responsibility grantmaking
1. Common scenarios where ER is required
 2. IRS requirements for expenditure responsibility
 - a. Pre-grant inquiry
 - b. Grant Agreement
 - c. Reporting
 - (1) Grantee to Grantor
 - (2) Grantor to IRS on tax return
- E. IRS requirements for grants to individuals
1. Types of awards that require prior IRS approval
 - a. How to apply for IRS approval
 - b. IRS requirements for selection process
 - c. IRS requirements for monitoring and reports
 2. Types of awards that do not require prior IRS approval
 3. Distinguishing individual grants from consultants
- F. Lobbying, advocacy and political campaign rules
1. Activities that do/don't meet the IRS definition of lobbying
 2. Activities that do/don't meet the IRS definition of election influence
 3. Ways to fund organizations that lobby
 4. Ways to fund projects that include lobbying
 5. Grant scenarios where lobbying is categorically prohibited
 6. Reporting of lobbying expenditures (state vs. federal)
 7. Lobbying limits of 501c3 public charities under 501h election
- G. Anti-terrorism finance guidelines for grantmaking
1. Requirements of USA Patriot Act of 2001
 2. Requirements of Executive Order No. 13224
 3. Related grant agreement language
- H. Requirements for international grantmaking
1. Expenditure responsibility or equivalency determination
 2. Reporting on 990-PF and 990

3. Rules for grants to “Friends of” organizations
 4. Tax code section 1441 withholding requirements
 5. IRS voluntary guidelines for international grantmaking
- I. Fiscal sponsorship and fiscal agency
 1. Types of institutional affiliation
 2. Issues with earmarking and other legal considerations
 3. Special agreement language and reporting requirements
 - J. Program-related investments
 1. Common award scenarios
 2. Special due diligence activities
 3. Tax code section 4944 requirements
 4. Special agreement language and reporting requirements
 5. Legal and tax treatment
 - K. Distinctions in grantmaking legal requirements for major categories of grantmaking organization (e.g., private foundation, corporate foundation, operating foundation, grant-making public charity)
 - L. Contract law and commonly included terms in a grant agreement
 - M. Common variations in state laws that may apply to grantmaker and grantees
 - N. Current legislation and IRS regulations that may change due diligence requirements and processes

7. GM Staffing and Operations

The grants manager needs to be familiar with how this function is structured differently in various grantmaking organizations. S/he needs to be proficient in establishing a grantmaking workflow, managing grantmaking operations, and maintaining appropriate recordkeeping. S/he must be competent in recruiting and developing GM staff, as well as training them and counterparts in other departments.

A. Managing human resources

1. Hiring process and skills
 - a. Knowledge of the skills and competencies of the position
 - b. Interviewing/communication
 - c. Use of cross function interview team
 - d. Methods for posting positions and building candidate pool
2. Managing personnel
 - a. Supervising staff and managing workload and prioritization
 - b. Working with consultants and other outsourced labor
3. Staff retention and development
 - a. Performance reviews
 - b. Professional development
 - (1) Professional development through philanthropic associations
 - (2) Outside resources for training and skillbuilding
 - (a) Project Management Institute
 - (b) Six Sigma Training (cycle time)
 - (c) Seven Habits of Highly Effective People
 - (d) CareerTrack (communications, team building, writing sessions)
 - (3) Staff development within grants management team and the organization
 - c. Cross training
 - d. Job expansion and/or promotion

B. Establishing and managing the grantmaking workflow

1. Workflow mapping and training
2. Departmental budgeting and other resource requirements
3. Managing change
4. Workflow software
 - a. Visio
 - b. Word
 - c. Excel etc.
5. Cycle time management
 - a. weak points in process
 - b. tracking of length of various process to ensure prompt delivery
 - c. spreadsheet skills
 - d. data analysis

C. Grant file and record maintenance

1. IRS requirements for grant recordkeeping
 - a. File contents
 - b. Retention period
2. Financial statement auditor requirements for grant recordkeeping
3. Foundation best practices in recordkeeping
 - a. Record retention policies
 - b. Grant file structures
 - c. Electronic record management

D. Grants management staffing models at different foundations

1. Responsibilities of grants management staff positions
 - a. Director of Grants Management – Senior Level
 - b. Grants Manager – Department Manager Level
 - c. Grants Management Associate – Analyst Level
 - d. Grants Management Assistant – Entry Level
2. Models for structuring the GM function within an organization
 - a. Centralized
 - b. Embedded
 - c. Team grantmaking
 - d. Grants management as a shared or part-time responsibility
3. Characteristics and challenges of grants management key internal relationships
 - a. Program
 - b. Finance
 - c. Legal
4. Rationales for division of responsibilities among program, grants, legal and finance roles

8. Policies and Procedures

This domain defines and provides examples of policies and procedures commonly-used in grants management. It includes guidelines for developing and maintaining policies and procedures and methods to ensure compliance. Policies and procedures interpret changes in the legal, regulatory, and strategic environments that impact internal staff and grantees. Awareness of relevant policies and how they impact workflows and grantee relationships can help ensure integrity, effectiveness, and efficiency in all grantmaking operations.

A. Administrative policies

1. Roles and responsibility among programs, grants, accounting
2. Policy change process
3. Whistleblower policies
4. Conflict of interest policies (e.g., for board members, directors, officers and proposal reviewers)
5. Funding authorizations (by board, by staff; discretionary/special funds)
6. Use of electronic signatures
7. Check signing authorities
8. Accounting policies
9. Record retention policies

B. Compliance policies

1. IRS compliance
2. Office of Foreign Assets Control (OFAC) compliance
3. Generally accepted accounting principles

C. Program policies

1. Eligible organizations/programs
2. Decision framework (how proposals get reviewed and decided upon)
3. Program structure guidelines
4. Use of funds (endowments, capital campaigns, for individuals, for lobbying, for religious organizations)
5. Indirect costs permitted under awards
6. Requirements of a grant proposal
7. Award communication and documentation requirements
8. Change in grantee program director
9. Change in grant objective or scope
10. Grant monitoring (unused funds, grant extensions, budget revisions)

11. Title to equipment and computers
12. Interest earned on grant funds
13. Exchange rate conversion issues for international grantees
14. Intellectual property rights
15. Liability
16. Responsible conduct of research
17. Reporting requirements
18. Accounting and audit requirements

D. Administrative procedures

1. Internal reporting and workflows
2. Policy change procedures
3. Whistleblower reporting procedures
4. Conflict of interest enforcement
5. Funding approval process
6. Accounting procedures
7. File maintenance and record retention procedures
8. Guidelines for international grantmaking
9. Business continuity and disaster planning

E. Compliance procedures

1. Office of Foreign Assets Control (OFAC) checks
2. Tax verification checks
3. Internal funding policy enforcement
4. Generally accepted accounting procedures

F. Proposal solicitation, review and approval procedures

1. Solicitation of proposals (closed or open invitation)
2. Design and testing of application system or process
3. Screening proposals
4. Proposal management during review process
5. Preparation of recommended grants to approval staff/board
6. Proposal tracking
7. Board review

8. Preparation of approved grants for funding
 9. Set grant payments schedule and process (see Finance and Accounting)
 10. Notification to proposing organization
- G. Other program procedures
1. Payment issuance process
 2. Collection of grant agreements
 3. Administration of active grants (e.g., receipt/return of award document and payment, adherence to reporting requirements, etc.)
 4. Monitoring procedures (see Monitoring and Evaluation)
 5. Addressing grantee problems, issues, and special requests
 6. Closing grant
 7. Record retention and archiving
- H. Developing policies and procedures within grants management
1. Recommendations based on research of issue
 2. Internal and external stakeholders' approval for proposed policy (e.g., tax counsel)
 3. Implementation procedures
 4. Employee training and solicitation of their feedback
 5. Publishing the policy and procedures and sharing with staff and grantees (use a numbering/ordering system, a clear and concise writing style, and follow a standard format)
 6. Periodic re-evaluation of policies and procedures (i.e., using feedback mechanisms and self-analysis)
- I. Methods to ensure compliance with policies and procedures
1. Definition of critical compliance areas (base on regulations, risks, policy changes, workflow changes, and lessons learned)
 2. Establishment of a policies and procedures review schedule
 3. Checking work against procedures (knowing when to spot check and when to check each item)
 4. Separation of duties so that individuals at arms-length from the tasks conduct the quality control activities
 5. Regular training and review of policies and procedures with impacted staff
 6. Confirmation of staffs' understanding of policies and procedures

7. Stay informed about changes in the field (e.g., by attending outside compliance training)
 8. Incorporation of policies and procedures awareness into performance review and planning
 9. Incentive and penalty structures (if necessary)
- J. Audit Awareness
1. Need for effective documentation
 2. Need for adequacy of procedures and internal controls in costly or high risk areas
 3. Staff awareness and implementation of procedures
 4. Monitoring and evaluation of procedure effectiveness and change implementation
 5. Typical problem areas
 6. Audit preparation

9. Project Management

This domain outlines the generalist understanding of project management theory and practice that a grants manager needs to understand in overseeing technology and other process changes common to grantmaking operations. It identifies phases and key activities in the project management lifecycle. It includes topics for managing the project team. It details key concepts and terminology. It identifies knowledge particular to certain types of projects. It addresses the most common project scenarios faced by grants managers.

- A. Phases of the project lifecycle
 1. Initiation
 2. Planning and design
 3. Executing
 4. Monitoring and controlling
 5. Closing
 6. Evaluation

- B. Key activities in project management
 1. Project scope and gathering requirements
 2. Creating a project plan
 3. Assessing project risk
 4. Managing multiple projects
 5. Managing enterprise-wide initiatives
 6. Budget and other resource planning
 7. Alignment with overall organization goals and other projects

- C. Forming, leading and facilitating groups
 1. Project staff roles (e.g., project manager, business analyst)
 2. Team building
 3. Meeting management and facilitation
 4. Group-based problem solving and decision making
 5. Software tools (Microsoft Project, Quickbase, Sharepoint)

- D. Key concepts and terminology
 1. Business case
 2. Business analysis
 3. Deliverable
 4. Gantt chart

5. Milestone
 6. Project triangle/triple constraint
 7. Risk
 8. Scope
 9. Stakeholder
- E. Special topics in project management
1. Information technology project management
 2. Technical project management
 3. Project cost management
 4. Project scope and requirements management
 5. Business analysis fundamentals
 6. Process management: applying process mapping to analyze and improve your operation
- F. GM project-specific challenges
1. Selection and implementation of an integrated grants management system
 2. Online grant applications, grant coding regimes, other technology projects
 3. Formulation or enhancement of grantmaking and other institutional policies
 4. Establishment or reengineering of a grant process
 5. Disaster recovery and business continuity

10. Communications

The Grants Manager is involved in communications with a broad range of internal and external stakeholders of the organization's grantmaking. Externally, this includes not only grantees and the grant-seeking public, but also philanthropic sector oversight bodies (such as auditors, IRS, and the Foundation Center). This domain outlines what a grants manager should understand to communicate effectively in these different contexts through the various types of written, verbal and electronic communications.

- A. Characteristics of effective business writing
 - 1. Organizational communication policies and style

- B. Internal communications with board, management, and staff
 - 1. Templates and standards for internal communications
 - a. Memos and emails
 - b. Policies and procedures, training materials
 - c. Administrative templates
 - d. Internal management reports, grantmaking analysis
 - e. docket write-ups

- C. Communicating with grantseekers and grantees
 - 1. Characteristics of effective funding guidelines
 - 2. Managing decision-giving situations
 - 3. Managing use of industry jargon
 - 4. Templates and standards for external communications
 - a. Emails and other informal written communication
 - b. Funding guidelines
 - c. Acknowledgement, decline, report reminder, other grant-related templates
 - d. Grant agreements
 - e. Annual report
 - f. Responding to industry surveys
 - g. Other grantmaker publications
 - h. Document types specific to corporate philanthropy
 - i. Document types specific to donor advised funds

- D. Public information about grantmaking
 - 1. Standards for statutory communications
 - a. Public availability of governing documents and application for tax exemption
 - b. 990-PF elements of interest to grantseeking community
 - c. Aspects of audited financials of interest to outside constituencies
 - 2. Websites

F. MS Office suite features relevant to grants managers

1. Basic utility of Word, Excel, Access, Powerpoint, Outlook applications
2. Excel charts, graphs, and data analysis for reports and presentations
3. Word for document formatting, template creation, and mail merge
4. Outlook for meeting planning, task management, and email filtering
5. Principles of effective Powerpoint presentations
6. Principles of relational databases, constructing queries and reports

G. Other software and services relevant to grants managers

1. Working with Adobe Acrobat and PDFs for electronic records management
2. Principles of knowledge management and applicable software
3. Web 2.0 and other new technologies affecting foundation information systems

H. Online research tools for application review

1. Tax status information (GuideStar/Charity Check, IRS Publication 78 and others)
2. Antiterrorism financing due diligence (OFAC; Bridger Tracker)
3. BBB Wise Giving Alliance, Charity Navigator and similar charity background resources

11. Technology

The grants manager should be familiar with the various types of technology used in grant making ranging from standard office applications to online research tools. This includes considerations for evaluating a current grant making database and selecting a new one. The importance of understanding grant making practices, the grant making staff, the budget available, the organization's IT function, as well as technology trends when selecting a system are also highlighted.

- A. Grants management software packages
 1. Major grants management systems and services and their key capabilities
 2. Pros/cons of Windows, Web and ASP grants management systems
 3. Pros/cons of off-the-shelf vs. custom systems
- B. Selecting a grants management software package
 1. Defining your system requirements
 2. Size and tech proficiency of user base
 3. System impact on grantmaking operations and workflow
 4. Integration with existing systems
 5. Key questions about system, platform, support, services
- C. Implementing a grants management software package
 1. Creating an implementation team
 2. Principles of data mapping and migration
 3. Reconciling current and system-dictated grantmaking workflows
 4. Training and user manuals
- D. Understanding of organization's IT function
 1. Resources available
 2. Organization system/network limitations
 3. Capabilities for continued system support/maintenance
- E. Maintaining data integrity in the grants management system
 1. Defining and communicating field-level data requirements
 2. Defining a grant classification scheme
 3. Establishing checks and balances to ensure consistent data entry
 4. Strategies for minimizing reliance on shadow databases (ie, using Excel offline)

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12. Ethics

This section describes rules of conduct around grantmaking that are not codified in Treasury regulations or other rules and laws. It provides an overview of good governance practices and includes conflicts of interest, grantor/grantee relations, faithful stewardship and transparency. The grants manager is familiar with his/her organizations ethics policies and is also knowledgeable about standards in philanthropy to strengthen the organization's practices. S/he pursues the highest ethical standards in her frequent interactions with grantseekers and grantees.

- A. Codifying and promoting internal ethical standards and policies
 - 1. Principles for Good Governance and Ethical Practice (2007, Panel on the Nonprofit Sector)
 - 2. Elements of a code of ethics, including variations by type of grantmaker
 - 3. Whistleblower policy
 - 4. Conflicts of interest
 - a. IRS rules on disqualified persons
 - b. IRS rules on self-dealing
 - c. Proper disclosures of relationships with grantees, vendors, etc.
 - 5. Legal compliance – intent of the law vs. letter of the law
- B. Relations with the grantseeking public
 - 1. Managing grantseeker expectations, especially “out of guidelines”
 - 2. Considerations for reducing burdensome application and reporting requirements
 - 3. Transparency in the grantmaking and review process
 - 4. Balancing transparency with confidentiality
 - 5. Creating opportunities for applicant/grantee feedback and criticism
 - 6. Exit strategies and grantee sustainability
- C. Ethical considerations in grant selection
 - 1. Social equity (race, gender, sexuality, etc.)
 - 2. Cultural sensitivity
 - 3. Social investing
- D. Faithful stewardship
 - 1. Honoring donor intent
 - 2. Prudent use of resources
 - 3. Responsible use of variance or cy pres powers (legal doctrine related to reinterpreting donor intent)

E. Framework for ethical decision-making (from COF's Grantmaking Basics 1)

1. Five ways to tell right from wrong
2. Dilemma paradigms – right vs. right
3. Resolution principles
4. Nine checkpoints for ethical decision-making