



Beyond the Shoebox: Choosing the Right Software for Grants Management

When I first arrived as the new Grants Administrator at the Surdna Foundation I found in my office a little brown shoebox. In it were dozens of index cards containing the names and amounts of grants from the foundation's early years. Such was the state of grants management in the first half of the 20th century. I keep that box handy to remind me not only of how far we have come, but also to keep technology in perspective. That shoebox served the foundation's needs for decades until a major ramping up of our operations turned those index cards into a quaint artifact. Commercial grants management software is a relatively new phenomenon, starting around 1980 with a couple of mainframe applications (Bromelkamp's HOBIE was a notable example) and moving to PC-DOS-based systems at the end of that decade (Riverside Grants was one of the leaders at that time). This changed again in the late 1980's-1990's with Windows-based software (enter MicroEdge's Gifts for Windows). And from the late 1990's up to the present we see the surge of Internet based applications.

Cutting edge technology solutions are something of an anathema to the foundation world. With the exception of a small number of progressive and tech-savvy foundations, slow and steady are the unwritten buzzwords for the field, mainly because foundations do not have competitors waiting to move in on their customer base, and there is no bottom line that has to be met. This is particularly true of older, larger foundations which, like passenger ships, change course very slowly. So why should a foundation abandon the hieroglyphics and go high-tech? There are approximately 71,000 foundations in the United States, the majority of which are one or two-person operations giving out less than \$1 million per year. For many such foundations the modern electronic version of the shoebox, an Excel spreadsheet or some basic database application using, say, FileMaker Pro or Access may be sufficient.

But for foundations with a larger volume of grantmaking, or for those with a need for complex analysis of data (apologies if jargon such as accountability and knowledge management come to mind), something more robust is needed.

How then does one go about selecting the right software?

The selection of commercial grants management software is small relative to other industries. In an article from 1999, Martin Schneiderman pointed out that grants management software started out with ten companies providing various solutions. That number quickly diminished to five as some companies went out of business while others were consolidated into the winners. A similar trend is happening today as companies rush to provide products to take advantage of the possibilities afforded by Internet-based products, something the older products were not designed to do. It is only a matter of time before history repeats itself and we can take note of the winners and losers in that competition. But it is to foundations' advantage that the battle is fought.

That said, there are real differences between the offerings available. Some cater more to larger, private foundations, others specialize in community foundations, some are entirely Web-based while others are more traditional server-based applications. Deciding among them involves a careful analysis of the needs of the foundation, getting answers to questions such as, "Do we have a typical foundation workflow or is our process



unique?" "Will we need much customization?" "What is our technical capacity?" "How much training will we need and who will provide it?" "Do we need to offer online applications and reporting?" "What kind of remote access will we need to our data?" And of course, "How much do we want to spend?" In addition to the internal analysis, there are questions to consider about the vendor. How stable is the company? You are making a large investment in money and time, so you want to be assured that the company will be around for the foreseeable future. Are you comfortable with another company hosting your data? Some of the vendors are application service providers (ASP's) whose products, and your data, are hosted on their servers. How responsive and helpful is the technical support? What options are available for customizing the application and what are the associated costs?

Here, at last, are the best-known products available with some commentary on each. Note that this list does not include software solutions geared toward government funders or donor-advised funds.

MicroEdge. Core Product: Gifts for Windows

There is little doubt that the market is made up of two players: MicroEdge, and everyone else. MicroEdge became the dominant grants management software provider in 1994 with its Gifts for Windows product. And they have only grown in strength since then. According to the 2007 Grantmakers Information Technology Survey Report, 87% of survey recipients that use a commercial grants management program reported using a MicroEdge product.

Some of MicroEdge's strengths include a good understanding of the standard foundation's workflow (letter of inquiry, full proposal, board book preparation, etc.), excellent integration with Microsoft Office software, scalability (Gifts will run on Access, SQL or Oracle platforms), and it is one of the most established, and wellcapitalized providers of grants management software, meaning it is safe to assume the company will be around in the future. Perhaps most importantly, there is a legion of Gifts users around the country and overseas who act as both a knowledge base of ideas and solutions, and as an advocacy group to recommend changes for future releases.

Online applications are offered through its IGAM product, which consists of software that gets installed on your server, and a MicroEdge-hosted service from which applications are retrieved. IGAM does not allow for grant reporting. Other products include solutions for community foundations, corporate foundations, matching programs, community and faith-based organizations, and more. But Gifts isn't for everyone. It is more costly than some other products, and those looking for products that were developed specifically for the Web, or who want to do extensive customization, may want to consider other options.

Bromelkamp Company. Core Product: Pearl

In a small sense Bromelkamp is to MicroEdge what the Mac is to the PC. Bromelkamp has a tiny, but loyal customer base which maintains a close and personal relationship with the company. At the same time it does not enjoy the capitalization, marketing strength or user-base of its largest competitor. Nonetheless, Bromelkamp has been in business for 30 years, managing the transition from mainframe to DOS to Windows to the Internet. Pearl, its flagship product, is an Access-based database which is often customized to the needs of the client. Indeed, this is one of the things that differentiates Bromelkamp from MicroEdge and others, sort of a hybrid between an off-the-shelf database and custom-designed system. They have a particular niche working with state arts councils and community foundations as well as small to mid-size private foundations.



Bromelkamp's online offering is eGrants, which allows for both application and reporting via the Internet. Like MicroEdge, Bromelkamp also offers products for corporate clients, community foundations and loan programs like program related investments.

Cybergrants

Cybergrants is the leading grants management ASP, which means that your database lives on the Internet rather than in your computer room. Unlike the early days of ASP's, when questions about safety, security, and reliability were paramount, fears about using this model have eased considerably. There are some built-in advantages by going this route, not the least of which is remote access. Since the database is accessed from a Web browser users can access the program from any Internet-connected computer. This is extremely useful to foundations with more than one location and particularly those with offices overseas. Cybergrants is well-suited to handling large volumes of e-mail correspondence, online applications and reporting, and integrates fully with MS Office applications. One thing to consider here is your foundation's need for customization. Since changes to the program must be handled by Cybergrants, extensive customization is not a practical option. In general the product is somewhat less flexible than other, non-ASP databases. Clients I spoke with were generally very happy with the product but did cite examples where the program was not particularly intuitive, and also cited some difficulties with reporting (though there have been recent strides forward in this area).

PhilanTech

PhilanTech is one of the new kids on the block. The product of Dhana Goldstein, this ASP is different from the others here in one important aspect: the focus of the company and its products is on measuring social impact rather than standard grant tracking and management. As such, it is particularly useful for foundations interested in collecting data and analyzing the effectiveness of their grants.

Community TechKnowledge

CTK is another ASP that focuses on a combination of grants management and outcomes reporting, multi-funder reporting systems, volunteer tracking, and other areas relating to human services. Its niche market is United Ways organizations, nonprofit organizations managing large volunteer programs, and Catholic Charities organizations.

PowerOFFICE

Based in British Columbia, PowerOFFICE is the only commercial, non-ASP grants management product that will run on both Mac and PC platforms. This is possible because the database is written using Lotus Notes. That brings some advantages, such as strong security, scalability and remote access, and some technical challenges, particularly for small-staffed foundations without much technical expertise. But, short of a custom-programmed application, Mac users have few other options.

Foundation Source

Foundation Source is less grants management software and more of a front-end product to an outsourcing of the grants management process. The company handles administrative functions such as IRS compliance, preparation of tax documents, financial reporting and more. It enables foundations to search for qualified nonprofits by area of



interest and location, and preparation of grant checks and cover letters. It also allows for online applications and document management. In short, Foundation Source functions as back office support for foundations with little or no administrative staff.

Some other vendors to consider

- Foundant, a Web-based product that focuses on the life cycle of a grant from application to decision to outcomes measurement
- Easygrants by Altum (formerly owned by Arlington Group), a Web-based product with a focus on customized solutions
- WebGrants by Dulles Technology Partners, a turnkey, Web-based grants management system that can be hosted either by the company or the foundation.
- DotChe by ChesterCAP, LLC, Web-based products geared primarily for assisting the management of donor-advised funds.
- Peoplesoft Enterprise Grants Management by Oracle, a highly scalable, Webbased grants life cycle solution.

So what happens if you've looked at all of these products and none of them fits your needs? You can do what 10% of the 2007 Grantmakers Information Technology Survey Report recipients did and commission a custom designed system. This can be an expensive and complicated process, but if it's done right you'll get exactly what you want. And if all else fails, I've got a shoebox with your name on it.

About the Author

Jonathan Goldberg is the Director of Grants Management, Learning and Information Systems at the [Surdna Foundation](#). Jonathan oversees policies and procedures for the Foundation's grantmaking operations, including proposal intake, legal compliance, financial review, grant approval, payment, reporting and final closeout. He manages the process for coding grants, oversees program grant budgeting, and advises programs, management and the board on what we can learn from our data and how it can inform policy change at the foundation. Jonathan is also in charge of the foundation's information systems, managing computer systems and software planning and implementation.

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