

KEY TAKEAWAYS

Reimagining Philanthropy

for the 21st Century:

TECH, TRUST-BASED PHILANTHROPY
AND MODERN GRANTMAKING



Philanthropy continues to improve and evolve and modern grantmaking and trust-based philanthropy are two movements that aim to create a more equitable nonprofit sector by challenging the traditional relationships between funders and those they aim to support. Recognizing that traditional philanthropic practices often involve top-down decision making and an antiquated mindset around unchallenged and perhaps unnecessarily cumbersome processes, both of these grantmaking philosophies focus on creating true partnerships between foundations and nonprofits. They emphasize the importance of hands-on organizational leadership from the middle.

Aided by powerful technology, private foundations now have the tools to reach their goals. In the process, they are widening their giving pool and bringing in new voices and exciting projects.

At a recent webinar, **Foundation Source Vice President of Product and Strategy Steve Aponte** explored these movements. On the panel with Steve were **Gemma Bull, co-director of Modern Grantmaking**, and **Shaady Salehi, executive director of the Trust-Based Philanthropy Project**.

These are four key takeaways from their discussion.



Modern grantmaking aims to remove administrative burdens so nonprofits can do their best work.

The rapid global outbreak of COVID-19 clarified the need to reexamine grantmaking processes so that foundations could respond with agility in the face of a public health emergency. Early on, funders moved to open previously restricted grants, extend deadlines and remove reporting requirements. The protests against racial injustice in the summer of 2020 also shined a light on structural inequities in all institutions.

Foundations looked inward and changed some of their own systems. By removing administrative burdens, foundations have been able to partner with more nonprofits to respond quickly to the challenges facing their communities.

Three years in and these changes have proven beneficial in helping transform the philanthropic landscape into one that's more responsive. They're making grantmaking more inclusive and encouraging greater innovation.



Interest in trust-based philanthropy is growing and more private foundations are embracing it.

Nonprofits need financial support to continue their work, and foundations have the resources to make it happen. That dynamic creates an imbalance in the funder/grantee relationship. Trust-based philanthropy seeks to address that imbalance so that nonprofits can better carry out their missions.

To achieve those goals, foundations can act as connectors and champions of their nonprofit partners. By tapping their networks in the wider community, funders can offer non-financial support as well, such as introductions to other philanthropists and like-minded foundations, promoting the nonprofit's work, and providing advice and counsel.



To make their operations more equitable and inclusive, foundations are adopting the best practices of modern grantmaking.

1. **Long-term funding:** The work that organizations do is long-term and unpredictable. Shifting to long-term, unrestricted grant agreements can give nonprofits the time to embark on ambitious projects and see them through to fruition.
2. **Simplified applications:** Revamping the application process to make it more transparent and responsive helps nonprofits know where they stand. Funders should fill out their own application forms to understand what applicants experience and then use that information to make any necessary changes to their applications.

- 3. Common application:** Some private and community foundations have started implementing a common application form that can be used by several grantmaking entities. That can streamline giving because nonprofits can replace multiple grant applications with one.
- 4. Shared due diligence:** Since many foundations require the same or similar information in the due diligence process, sharing this information between foundations can relieve nonprofits from having to undergo the process too many times within a short span of time.
- 5. Funder support:** Leveraging a foundation's connections to introduce nonprofit partners to other funders can elevate and amplify their work.
- 6. Feedback:** Seeking honest feedback from nonprofit partners can improve the grantmaking process.



Technology helps to operationalize modern grantmaking and trust-based philanthropy practices.

Many of the best practices that foundations want to implement in their evolution toward greater inclusion and transparency are possible with the right technology. For example, features such as automated reporting help with data transparency, which increases trust and aids in relationship building. Foundations can also design easy-to-use, streamlined applications to give applicants a positive, digital experience from the start. Grants management platforms can pull public data to auto-populate forms and reduce paperwork for applicants. Once the application is in, foundations should aim for transparency and responsiveness as they move through the grantmaking journey.

Additionally, foundations can streamline grant reporting requirements by using note-taking features to collect real-time feedback and help minimize the amount of follow-up work required by nonprofits. A modern [foundation management platform](#) removes data friction, resulting in more robust reporting.

Finally, a foundation management platform can help aggregate data and provide a complete lifecycle view of a funder/grantee partnership that can, ultimately, improve the experience for everyone.

For additional insights, listen to a replay of the [webinar](#).

HAVE A QUESTION?

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