

Is Your Grants Management Process Buried in Paper?

A MicroEdge Educational eBook



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How much of your process is still paper-based?

Times have changed. It used to be possible to run an effective grantmaking program using a paper-based process. But with the proliferation of e-communications and grantmaking software, adhering to a paper-based grants administration process not only creates inefficiencies for grantmakers, but also makes it increasingly difficult for the non-profits they support to efficiently stick to application, reporting and compliance requirements. Plus, it increases the possibility of human error to skew reporting statistics, misplace paper applications and a number of other risks.



“It is no exaggeration to say that the current system of application and reporting has grantseekers and grantmakers alike drowning in paperwork and distracted from purpose.”¹



1. Project Streamline, *Drowning in Paperwork, Distracted From Purpose: Challenges and Opportunities in Grant Application and Reporting*

What impact does that have on your internal efficiency?

“I used to spend 80 percent of my time trying to get through the paperwork. It was really difficult for me to provide as much valuable input into the decision making process as I wanted to.”

— Beth Broomall,
Charles H. Dater Foundation ²



Most likely... a huge impact. Just processing paper grant applications alone can dominate the time of grant administrators, not to mention the time-consuming tasks associated with reporting, analysis, sending award packages, making copies and so on. And as the volume of grant applications grantmakers receive grows, the burden becomes heavier and heavier. One giving organization—the Charles H. Dater Foundation—went from receiving around 100 annual grant applications in the early 1990s to around 500 today. Yet the size of the staff didn't grow in tandem. The process basically became unbearable before they shifted from a paper to an online grants administration process.

2. MicroEdge Client Story, Charles H. Dater Foundation, Better Grantmaking with GIFTS Online.

How does it affect the quality of your data and data storage?

How many grant applications does your organization receive each year?

A survey looking at over 1,000 giving organizations of all types and sizes revealed that the average foundation receives 563 grant applications annually.³ It takes a lot of administrative time to process that many applications. When paper applications come in through the postal service, data is transferred manually and applications get stored in filing cabinets, the likelihood for human error—at some point in the process—is significant.

Plus, at what point do you run out of actual physical space to store old applications and other documents? As these variables compound one another each year, the probability that inaccurate data has been used, or even reported to your board, grows exponentially.

Is your data safe in a hosted, backed up database, or overflowing from filing cabinets?



3. Internal MicroEdge client data.

Can you easily run reports to keep your executives and board informed?

Let's face it, one of the most important things grant administrators must do is provide reliable and insightful reports to their executives and board members. So how do you create those reports? How do you perform that analysis? If you have a paper process, it probably involves a calculator, pen and paper, or at best, spreadsheets. Moving to an online grants management process eliminates those manual calculations because your software does them for you. It also allows you to create custom reports, save reports, etc. It minimizes the risk of miscalculations. And finally, it saves you loads of time. For example, when The Dater Foundation moved to an online grantmaking system they slashed the time needed to prepare for board meetings from 2 weeks to three days.⁴

Imagine reducing the time needed to prepare board reports by **70%!**



4. MicroEdge Client Story, Charles H. Dater Foundation, Better Grantmaking with GIFTS Online.

What about the cost of manual grants administration?

When your staff is spending hours upon hours sifting through paper applications, transferring data into spreadsheets, making copies, mailing packages and manually completing calculations and analyses, the hours needed to do so quickly add up. Have you ever thought about how many resources are spent on those paper-based process steps? An average organization can save upwards of \$100,000 annually by moving to an online grants management solution!

A typical organization can save up to
\$105K annually
by moving to the
GIFTS Online
grantmaking system.⁵

5. Based on an ROI analysis for MicroEdge's GIFTS Online, performed by Hobson & Company.

Where do your grantees spend their time? **On grant applications.**



30hrs.

The average time a grantee spends on the application process.

Foundations and other giving organizations exist to fulfill a mission—and central to that mission are the non-profit organizations and other grantees that use your awards to make a visible and lasting impact with your grant dollars. You award them money, and they work in the community on your behalf to make a difference. But how much time do your grantees spend completing administrative tasks and fulfilling other requirements for you? Are they required to submit lengthy, paper application packets? If so, you might be pulling their time and energy away from helping you fulfill your mission—and maximizing the impact of your grant dollars.

Data collected by the Center for Effective Philanthropy revealed that on average, non-profit organizations spend nearly 30 hours per grant on the application process.⁶ Think about how quickly that would add up for your grantees. You could drastically reduce that burden for them by moving to an online grant application process.

6. Center for Effective Philanthropy, Grantee Perception Survey.

Where do your grantees spend their time? **On compliance.**

It's not just a paper application process that slows down your grantees. Reporting and compliance requirements account for a significant percentage of their time and resources as well.

A Rand Corporation case study looking at one non-profit organization found that it spent 11% of its annual budget and 44% of its organizational time meeting grant compliance requirements.⁷ That's a lot, and certainly good cause to make that process as streamlined as possible for the organizations you support with your grants. After all, the more efficient they are, the bigger impact your grants will make and the more powerful the story you can tell will be.

44%
of a grantee's
organizational time
is spent meeting
grant compliance
requirements.

7. Rand Corporation Report, Meeting Funder Requirements.

Want to learn more about the benefits of an online grants management system?

MicroEdge's GIFTS Online is the leading end-to-end online grants management solution.

Visit **www.microedge.com/GIFTSOnline**  to view free webinars, see testimonials from current clients, read real-life stories of those who moved to an online grantmaking solution, and more...

About MicroEdge

Established in 1985, MicroEdge delivers the comprehensive grantmaking solutions the giving community needs to increase operational efficiency, produce meaningful results, and drive collaborative impact. From small community funders to global giving programs, more than 2,400 organizations trust MicroEdge to help them understand—and maximize the impact of—their giving.

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