Journal of the Grant Professionals Association

Dear Readers,

As the new editors of the Journal of the Grant Professionals Association, we are pleased to present the 2014 edition.

As the research publication of the GPA, the Journal provides a forum for scholarly examination of the profession, discussions of best practices and presentation of case studies. The Journal is devoted to the improvement of the grants professional and our ever-growing and changing profession. This year's edition explores a wide variety of topics that reflect the rich diversity of our work. Articles examine new and emerging grant vehicles, important components of grant proposals, organizational development and challenges, budgeting methods, and the grant professional competencies.

In our first year as editors, we have had the opportunity to talk with many of you about the Journal and explore ideas for the publication. An early initiative we have undertaken is to make the Journal a year-round activity. Although the Journal is technically published once per year, we are working actively throughout the year to explore and identify new article ideas, publicize Journal resources and opportunities through social media, and work with our colleagues in other GPA publications to share ideas and guide prospective authors.

As a grants professional, this is your journal. We invite you to contribute your valuable experience to the Journal as an author or peer reviewer. Our priorities are articles that address new ideas in our field, contribute research-based information, provide a case study or best practices, or examine any of the competencies and skills described in the Grant Professional Certification Institute’s Table of Validated Competencies and Skills.

The work of each year’s Journal is a collective effort. We thank Barbara Roberts and Amy Lamborg, the Journal’s previous co-editors, for their leadership over many years and for serving as indispensable resources for us as new editors. We also thank Robyn Gibboney and Susan Perri, who serve as Peer Review Manager and Acquisitions Manager, respectively. We also thank Barbara Roberts, Chair of the GPA Publications Committee, for her ongoing guidance and feedback. Finally, we thank the many anonymous peer reviewers who evaluate JGPA articles; your time and expertise are very much appreciated.

We welcome your comments on this issue of the Journal, and we look forward to your suggestions and article ideas for future issues.

David Lindeman and Andy Rawdon
Co-editors, Journal of the GPA
GPA Mission

The Grant Professionals Association (GPA) is a nonprofit 501(c)(6) membership association. It builds and supports an international community of grant professionals committed to serving the greater public good by practicing the highest ethical and professional standards. To achieve this mission, GPA:

- Serves as a leading authority and resource for the practice of grantsmanship in all sectors of the field
- Advances the field by promoting professional growth and development
- Enhances the public image and recognition of the profession within the greater philanthropic, public, and private funding communities, and
- Promotes positive relationships between grant professionals and their stakeholders.

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About This Publication

The *Journal of the GPA* is devoted to the improvement of the grants professional and the profession. The *Journal* provides a forum for scholarly examination of the profession, discussions of best practices, and presentation of case studies. Papers submitted to the *Journal* are peer-reviewed by top professionals from around the country.

Proposals for articles may be submitted at any time to the Editorial Board of the *Journal of the Grant Professionals Association* via email to *journal@grantprofessionals.org*. Proposals must be no more than 300 words and follow the guidelines published on the GPA website. Both proposals and full articles must be submitted as email attachments in Microsoft Word format. Any graphics or tables must be compatible with Word or Microsoft software. Each full article must contain a short biography of each author (100 words) and an abstract (150 words). References, punctuation, grammar usage, and paragraph formatting must follow the *APA Style Manual for Publication* (6th Edition); articles not following this format will be returned to the author(s).

Submissions will be peer-reviewed anonymously. Once selected for publication, editors will work with authors to address reviewer comments and other necessary revisions. The Board reserves the right to delay or withhold publication of any article submitted. Authors will be kept apprised.

All submissions accepted for publication (except reprints of articles) will remain the copyrighted property of the Grant Professionals Association. Written permission must be obtained from GPA to reprint any published article. Please email *journal@grantprofessionals.org* with any questions. Submission deadlines, annual cut-off dates and other information are posted on the GPA website (www.grantprofessionals.org).
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Validated Competencies and Skills
Grant Professionals Certification Institute (GPCI)

Below are the GPCI professional competencies and skills covered in the Journal. For more detail on each competency, please visit the GPCI website (www.grantcredential.org).

**GPCI Competency 01**: Knowledge of how to research, identify, and match funding resources to meet specific needs

**GPCI Competency 02**: Knowledge of organizational development as it pertains to grant seeking

**GPCI Competency 03**: Knowledge of strategies for effective program and project design and development

**GPCI Competency 04**: Knowledge of how to craft, construct, and submit an effective grant application

**GPCI Competency 05**: Knowledge of post-award grant management practices sufficient to inform effective grant design and development

**GPCI Competency 06**: Knowledge of nationally recognized standards of ethical practice by grants professionals

**GPCI Competency 07**: Knowledge of practices and services that raise the level of professionalism of grant professionals

**GPCI Competency 08**: Knowledge of methods and strategies that cultivate and maintain relationships between fund-seeking and recipient organizations and funders

**GPCI Competency 09**: Ability to write a convincing case for funding
The Rapid Growth of Donor Advised Funds and the Role of the Grant Professional

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GPCI Competency 01: Knowledge of how to research, identify and match funding resources to meet specific needs

Abstract

Grants from Donor Advised Funds (DAFs) are the fastest growing type of giving in the United States. Recent reports from the National Philanthropic Trust and the Chronicle of Philanthropy found that contributions to DAF accounts in 2012 were at an all-time high of $13.71 billion, with grants from DAFs also reaching an unprecedented level of $8.62 billion. Managed by commercial financial institutions, community foundations, faith-based organizations and other entities, DAFs provide donors with quick access to donations and tax benefits without the administrative guidelines and oversight required by traditional foundations. However, grant professionals cannot access the types of DAF giving history and other data available through traditional foundation reporting and other established avenues of research. Defining DAFs, examining trends in DAF giving, describing the types of institutions that manage DAFs and detailing best practices on researching, approaching and stewarding DAF grants are keys to aid grant professionals in learning about this emerging funding source. This article discusses these important elements of DAFs and present strategies for how grant professionals can transfer prospect research, proposal writing and stewardship skills from traditional grant development to DAFs.

Introduction

According to Giving USA (2014), in 2013 overall giving increased by 4.4%, with individual giving and giving by foundations increasing by 4.2% and
5.7%, respectively. Contributing to this growth in charitable giving are Donor Advised Funds (DAFs).

DAFs are the fastest-growing giving sector. “They’re growing faster than anything else in the nonprofit world,” said Stacy Palmer, editor of the *Chronicle of Philanthropy*. “Astonishing amounts of money are being put into these things.” For example, Fidelity Charitable, the largest DAF manager, will surpass the holdings of the Bill and Melinda Gates Foundation and even United Way Worldwide in the next few years (Neyfakh, 2013).

There are several reasons for this growth. Contributors to DAFs receive an immediate tax deduction on the full amount given. Money deposited into DAFs can grow tax-free before being disbursed to nonprofit groups. Neither contributors to DAFs nor the institutions managing them are required to file 990s for each individual fund or to distribute a certain percentage of fund earnings each year. Less paperwork and fewer administrative filings for contributors to DAFs translates into the need for grant professionals to focus more on research and relationship building to take advantage of this trend. This article defines Donor Advised Funds and offers some ideas on how grant professionals can capitalize on the increase in the use of DAFs.

**DAFs: Definitions and Ramifications for Contributors**

With a gift to a DAF, the contributor surrenders control of the final disposition of the gift to the DAF. In other words, the contributor who establishes a DAF can advise on how to spend the fund but has no legal right to direct the fund (Silk & Lotett, 2011). Contributors name their funds, often for themselves or their families, and have the option to share their contact information with the charities receiving grants from their DAFs. Conversely, they may choose to donate anonymously. This choice directly affects how grant professionals are able to research and cultivate a grantor’s giving through DAFs.

DAFs offer several advantages to contributors. A donation to a DAF qualifies the donor for an immediate tax deduction. Over time, the contributor works with the DAF manager to determine which charities will receive funding. The procedure of opening a DAF is comparable to opening a mutual fund. The contributor and the DAF manager execute an agreement detailing the extent to which the contributor may advise the fund manager on donations made from the fund. The donor, or originator of the DAF, is not responsible for any further paperwork or reporting once the fund is established except if additional donations are made to the fund (Silk & Lotett, 2011).

In exchange for surrendering fund management and charitable giving decisions to a DAF, the donor makes an “irrevocable charitable contribution,” according to the Fidelity Gift Fund, one of the largest collections of DAFs, “to be owned and held by our Trustees.” Thus, the
The onus is on the contributor to fully understand the impact of starting a DAF versus maintaining more direct control over future charitable contributions through straightforward individual gifts directly to a nonprofit or other charitable institution, or through a private foundation.

For example, the National Heritage Foundation offered DAFs for years, which were, by law, considered contributions to the National Heritage Foundation itself. As detailed in Managing Foundations and Charitable Contributions, when the National Heritage Foundation filed for bankruptcy in 2009, bankruptcy courts ruled that contributors to DAFs have no legal claim to the assets once they establish the DAF (Silk, 2011).

For donors unwilling or unable to assume the reporting and administrative requirements of a charitable foundation, DAFs offer additional advantages. Individuals who want to donate more than 30 percent of their income or donate appreciated property other than publicly-traded stock may do so through a DAF. Contributors to DAFs do not pay excise taxes as required of private foundations, nor do they incur costs for foundation administration (Spector, 2009).

History and Types of Institutions that Manage DAFs

An expansion analysis of institution-based advised giving could easily date back hundreds of years. For example, people have given to their faith communities as a part of their membership. Faith communities would carry out charitable acts in the community using those donated funds. Sources vary as to which United States institution first formally offered DAFs, but most place them as beginning in the 1930s. Modern-day DAFs may have existed as long as personal income taxes, dating back at least to 1913 (Silk & Lotett, 2011). In its promotional materials, the New York Community Trust states that DAFs originated with them in 1931. Community foundations and Jewish federations opened the first DAFs in the mid-1930s according to the Jewish Communal Fund of New York. The National Philanthropic Trust, which describes itself as the largest independent provider of DAFs in the country, states that the funds were first established in the 1930s.

In 1969, the Internal Revenue Code recognized funds that were operating as DAFs as one type of Supporting Organization (McMahon, 2011). However, Congress did not formally define and codify the term “donor advised funds” until the Pension Protection Act of 2006 with Public Law No. 109-208. This legislation provided a statutory definition of the term “donor advised fund” as follows:

Under new Section 4966(d)(2), a donor advised fund is defined as a fund or account owned and controlled by a sponsoring organization, which is separately identified by reference to contributions of a donor or donors, and with respect to which the donor, or
any person appointed or designated by such donor, ("donor advisor"), has or reasonably expects to have, advisory privileges with respect to the distribution or investment of funds.

A sponsoring organization is defined under new section 4966(d)(1) as a Section 170(c) organization that is not a governmental organization (referenced in Section 170(c)(1) and (2)(A)) or a private foundation and maintains one or more donor advised funds. (Silk & Lintott, 2011, p. 195)

Community foundations, religiously-affiliated foundations, and special interest/issue organizations remained the primary sources of DAFs from the mid-20th century until the 1990s. These three types of organizations offering DAFs tend to share an emphasis on donor education. They may also offer competitive grants based on a traditional grant cycle of letters of intent, proposal and grant awards familiar to most grant professionals.

According to the Community Foundation National Standards Board, a supporting organization of the Council on Foundations, “A community foundation is a tax-exempt, nonprofit, autonomous, publicly supported, nonsectarian philanthropic institution with a long-term goal of building permanent, named component funds established by many separate donors to carry out their charitable interests and for the broad-based charitable interest of and for the benefit of residents of a defined geographic area” (Community Foundations National Standards Board, 2013). Approximately 60% of all community foundations in the United States are accredited through this Board.

Religious foundations offering DAFs have grown to be some of the largest grant-making organizations. The National Christian Foundation is the 12th-largest charity in America in the 2013 Chronicle of Philanthropy annual “Philanthropy 400” survey, which ranks the top U.S. charities by donations received. According to a 2013 profile by the Chronicle of Philanthropy, “[The] National Christian [Foundation] is different from many of the other funds: Its donors give substantially more as a percentage of the fund’s assets than donor-advised funds offered by companies, Jewish federations, and community foundations. Last year, its grants exceeded $605 million.” Since 1982, the National Christian Foundation has received $6.4 billion in contributions and made over $4.3 billion in grants to thousands of churches, ministries and nonprofits. The Jewish Federations of North America, its members including 153 Jewish federations, raise and distribute more than $3 billion annually for social welfare, social services and educational needs.

Philanthropists who are passionate about specific issues may choose to open a DAF which will benefit a single organization, such as The Sierra Foundation or the Global Women’s Fund. Issue-specific organizations
may also be community-based, such as the Atlanta Women’s Foundation. Many community foundations and religiously-affiliated foundations now offer special interest, or issue-oriented funds that contributors can then use as a basis for establishing their own DAFs. For example, the Lutheran Community Foundation offers a “Field of Interest” DAF, where the donor identifies a cause, not an organization. The Lutheran Community Foundation then makes grants to charities within that donor-specified field of interest using their DAF. The contributor works with the institution managing the DAF to determine the scope of the charitable interest (e.g., children’s health or medical research related to breast cancer).

The explosive growth of DAFs began in the 1990s when the financial services firm Fidelity established Fidelity Charitable as an independent public charity in 1991 as a vehicle for DAFs. A 2012 article in the Chronicle of Philanthropy predicted that if DAFs continue to grow at double-digit rates, Fidelity Charitable would soon surpass United Way Worldwide to become the largest “charity” in the country, even though it does not provide any direct charitable services. The Boston Globe reported that Fidelity granted $2.1 billion on behalf of its DAFs in 2013, a 29% increase over the previous year. Fidelity ranked as the second-largest charity in the Chronicle of Philanthropy’s 2013 Philanthropy 400 list. Many other commercial financial firms such as Vanguard, Schwab, and Goldman Sachs are now aggressively marketing their own DAFs. As with all types of DAFs, their fund managers are responsible for sending the donors’ designated contributions to their chosen charities while generating returns on the funds’ assets.

Pros and Cons of DAFs

Proponents of DAFs say that more people will be encouraged to give because creating a DAF is relatively easy. The NonProfit Times has cited several advantages of a DAF over establishing a private foundation. These include:

- Lower gift minimum requirements (as low as $5,000 to $10,000 at DAFs organizations or community foundations)
- Bringing charitable dollars into the community.
- Donors to DAFs can deduct half their adjusted gross income for an annual cash contribution, and 30% for appreciated securities. (In comparison, donors to foundations can deduct only 30% for cash gifts and 20% for appreciated securities) (Spector, 2009).

A 2013 investigative article in the Boston Globe detailed the controversy surrounding DAFs in the philanthropic community:
By law, all the money in donor-advised funds does ultimately have to go to charity, and proponents say it doesn’t matter when. The funds, they say, may even attract money that might not otherwise be donated and make it possible for people who aren’t wealthy enough to start private foundations to engage in long-term giving. But for critics, it’s part of a worrying shift in philanthropy, away from direct individual giving to investment in huge endowment-style accounts that amass money faster than it is spent, while money managers collect fees along the way. (Neyfakh, 2013, para. 8)

Skeptics point out that each year foundations must disburse at least 5% of their earnings and file IRS Form 990, while DAFs have no such mandatory regulations or reporting requirements. Under current law, DAFs can be kept in perpetuity and are not legally bound to give grants to non-profits or other organizations (Neyfakh, 2013).

Ray D. Madoff, a professor at Boston College Law School, argues that donors and fund managers gain the immediate benefits of DAFs through tax incentives and fees for fund administration while recipient charities wait for funds that may never be granted. In a 2013 op-ed in the *Chronicle of Philanthropy*, Professor Madoff wrote that private foundations could meet their five-percent payout rule by transferring money to DAFs rather than giving to actual charities offering programs and services (Madoff, 2013).

Starting in 2006, Congressional attempts to regulate DAFs have not been successful. The Pension Protection Act of 2006 directed the U.S. Treasury Department to study DAFs. In the study, which was released in 2001, the Treasury defined DAFs but made no recommendations on restricting deductions or on establishing minimum payouts. Instead, the report stated that more research was needed. A second analytic paper released by the Congressional Research Service in 2012 stated that, “Senator Chuck Grassley, Senate Finance Chairman at the time of the 2006 legislation, has criticized the study as being ‘disappointing and nonresponsive.’” (Sherlock & Gravelle, 2012, p. 1).

The 2012 Congressional research report used 2008 data to calculate an average payout rate of 13.1% from more than 181,000 individual DAF accounts managed by approximately 1,800 institutions, half of which were commercial institutions. In comparison, a private foundation must meet or exceed an annual payout requirement of five percent of the average market value of its net investment assets in order to avoid paying excise taxes. The 2012 report recommends that for any minimum payout to be effective, it would need to be applied to individual DAFs, not the aggregate holdings of the institutions that manage them. As of June 2014, Congress had no new pending legislation regarding DAFs (Sherlock & Gravelle, 2012).
Best Practices for Grant Professionals

Regardless of any future rulings on DAFs, they remain the fastest growing sector of philanthropy. Because DAF grants are managed by organizations acting on the “advisement” of the donors who establish the funds, DAFs offer unique research and cultivation opportunities for grant professionals that blend individual donor prospecting and cultivation skills with foundation and organization research.

Successfully researching and cultivating DAFs requires a combination of major gift research skills and grant seeking skills. Presented below are nine steps to consider when preparing to approach DAF original contributors and/or their managing institutions.

1. **Review any current DAF donors’ checks and transmittal letters.** While many DAFs are set up anonymously to ensure privacy, some donors allow their identity to be released to the recipient charities when the DAF makes a gift on their behalf. Be sure to compare any names of funds to donors already in your database. Individual donors who gave personally may switch to a DAF for tax purposes. If no verifiable information exists and the DAF donor does not provide a contact address in the gift letter, do not waste time calling the fund manager for more information. It is their job to follow their clients’ wishes. Grant professionals receiving DAF grants from community foundations or special-interest/issue-oriented institutions should consider contacting the program officer or other contact to build a relationship with him or her.

2. **Identify community and cause-centered foundations.** Identify the nearest community foundations by visiting http://www.cof.org. Most community foundations have a mix of competitive grants and DAFs. Therefore, contact the community foundation’s program officers. Get on their email lists. Offer to host meetings and/or donor volunteer opportunities. When appropriate, apply for grant funds through their competitive grant process. These contacts may help foundation officers learn more about a nonprofit’s accomplishments and needs and provide them with key information they can then pass on to their DAF contributors.

3. **Review DAF websites.** Visit the websites of DAF funds (especially the larger commercial funds), community foundations and cause-oriented funds. Review their latest reports and other key information. Fidelity Charitable, Schwab, Vanguard, the National Philanthropic Trust and the National Christian Foundation are just a few examples of DAFs. Managers of these larger funds issue annual reports, host blogs and frequently post on their social media networks regarding information on their DAF grants, individual DAF contributors and on the charities they support.
4. **Review aggregate IRS Form 990s.** The IRS Form 990 that is filed by DAF institutions/foundations does not require listing individual fund names. However, they are required to report on aggregate assets of funds, donor contributions and total grants distributed. This summary information will not, of course, provide names of individual funds, but a grant professional could gain useful information from their review. This can be especially helpful when seeking information about smaller, lesser-known funds.

5. **Ensure that your nonprofit is easily identifiable to DAF contributors and fund managers.** Your organization’s website, print publications, and social media networks are valuable research tools to current and potential DAF contributors and fund managers. Make sure your nonprofit’s name and tax identification number are readily accessible on your website and print publications. Fund administrators must be able to confirm your status as a nonprofit entity. Feature articles, posts and other information about establishing DAFs can be included in an organization’s promotional and educational materials.

6. **Determine communication preferences.** If a contributor shares a personal or business address through a DAF grant, include them on your donor database. Depending on the size and/or frequency of the gift, mailing regular reports or newsletters, or scheduling cultivation visits, are appropriate next steps.

7. **Do not ask for pledges.** DAF grants cannot be made to fulfill a pledge, so do not ask donors who have a DAF to make a pledge. If a Statement of Intent to Give is essential, then a contributor giving through a DAF can state that a recommendation will be made for a grant from his or her DAF.

8. **Correctly acknowledge DAF grants.** Although a charitable endowment, community foundation or DAF institution makes the actual DAF grant, it is appropriate to thank the original contributor. Do not issue a tax receipt. Review the gift letter to see if the DAF manager requires any documentation. Any good donor-management system should make it easy for you to “soft credit” the contributors who established the DAF. Creating a record for the DAF contributors who shared their addresses and attaching it or relating it to the institution that manages the DAFs and issues the checks, will provide a reference for sending the original donors an appropriate acknowledgement letter. This type of record-keeping can also make it easier to include those individuals who contribute through DAFs in other communications from your organization.

9. **Track donors who have a DAF.** Create a field or “flag” to identify and selectively track donors who have a DAF. You can then target them
with more appropriate solicitations such as invitations to special events. In some cases, a contributor may start out as an individual donor and then switch to a DAF as giving increases. A formal tracking system will make it easier to identify these donations and attribute them to the same individual or family.

Conclusion

Donor Advised Funds (DAFs) are the fastest growing, but perhaps least understood, area of philanthropy. The significant advantages for individual donors such as low fees, immediate tax deductions, no minimum annual payouts and no required reporting do not translate into advantages for grant professionals seeking to research and cultivate these growing grants. Until further Federal regulations establish more transparency for DAFs, grant professionals will need to use a hybrid of traditional grant research skills and donor cultivation strategies to reach individual donors and DAF fund managers.

References


**Biographical Information**

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Practical Considerations of Direct Versus Indirect Costs for Higher Education

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Abstract
This article provides practical definitions and calculation methods for determination of direct costs versus indirect costs, primarily for grant professionals who serve institutions of higher education. Detailed examples of cost calculations are presented. This article will illuminate how to understand and use indirect cost principles in a practical way to sharpen grant proposal budgets and ensure compliance with both federal agency and private foundation guidelines.

Introduction
Many grant proposal writers in higher education must construct a budget for a research or service project that includes both direct and indirect costs. If the funder or sponsor is a federal agency, and the college or university has a federally-sanctioned negotiated rate for indirect costs, the solution to this problem is straightforward. But many grant sponsors in the private foundation arena present guidelines and procedures for budgeting indirect costs that differ from federal agencies. Grant professionals must be flexible and mindful of the process for identifying direct versus indirect costs, and apply the correct calculations to recover the maximum indirect costs for their institutions.
Definitions and Literature Review

There are some common terms and acronyms that are used in this article that need to be defined. In higher education, grant-making agencies or foundations are called “sponsors,” whereas other grant professionals often use the term “funders.” Here the term “sponsors” will be used. At most colleges and universities, “sponsor” is often used in the name of the administration office responsible for grants and contracts; for example, Office of Sponsored Programs or Office of Sponsored Research. In higher education, costs are referred to as “Facilities & Administrative” or “F&A.”

Most grant professionals are more familiar with the term “indirect cost,” which will be used in this article. Indirect costs for federal grants are often calculated by applying a rate negotiated with the federal government to a subset of all direct project costs, resulting in “Modified Total Direct Costs,” or “MTDC.” Most research universities and many smaller colleges have negotiated an indirect-cost rate agreement with the federal government.

In 2013, the Federal Office of Management and Budget (OMB) issued final guidance on administrative requirements, cost principles and audit requirements for federal awards (which includes research grant awards). Per the OMB website (2014), this guidance “will supersede requirements from OMB Circulars A-21, A-87, A-110 and A-122 (which can be found in the Code of Federal Regulations [CFR] at 2 CFR Parts 220, 225, 215 and 230); Circulars A-89, A-102 and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up.”

The announcement in the *Federal Register*, Volume 78, Number 248, on December 26, 2013 (Office of Management and Budget, 2013) includes a long preamble that describes the objectives of OMB and the Council on Financial Assistance Reform (COFAR), and the background surrounding the guidance and the major reforms. The actual text of the guidance as codified in the CFR, 2 CFR Part 200, follows the preamble.

In 2 CFR Part 200.56, indirect costs are defined as “those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved” (OMB, 2013b). Furthermore, 2 CFR Part 200.414 expands the definition to state that, “[Such costs that cannot be readily assigned to the cost objectives of one particular grant project] must be classified within two broad categories—Facilities or Administration” (OMB, 2013d).

In the *Journal of the Grant Professionals Association (JGPA)*, Campbell and Carter (2004) state that changes in indirect rates are an irritant to the faculty. Renninger et al. (2007) discuss the fact that indirect cost calculation is greatly facilitated when working in a team at the university level. On the practical side, Blanchard and Bullock, also writing in the *JGPA* (2010), mention that sometimes grant applications fail because the
budget is “vague or poorly developed” (p. 46); confusion about where indirect costs belong in the budget contributes to a low rating.

As grant professionals become more sophisticated regarding direct versus indirect costs, foundation and federal agency websites are increasingly being searched to locate specific policy regarding indirect costs. The Sponsored Programs Office at a college or university has a vested interest in ensuring that their web-based resources are user-friendly, so faculty and staff can easily locate information regarding grant policy and regulation compliance. An interesting usability study, published last year in JGPA, tested subjects on their ability to locate the policy on indirect costs on a research administration website (Dresen, 2013).

What are Indirect Costs?
The definition of “indirect costs” is straightforward for federal agency sponsors. If a cost cannot be assigned to a single “cost objective” or grant-funded project, it is an indirect cost. Private foundations differ in the definition and methods of indirect cost calculation in a grant budget. Here are some examples:

- From the Aetna Foundation: “[Indirect costs] are overhead expenses that relate to overall operations or are shared among projects or functions. Examples include accounting, grants management, legal services, insurance, utilities, facilities or any other costs incurred by the applicant organization as part of its daily general operations or expenses of doing business.” The Aetna Foundation uses the term “overhead,” and most foundations use “indirect” and “overhead” interchangeably when discussing allowable indirect costs to the project budget (Aetna Foundation, 2014).

- From the National Institutes of Health (NIH): “[Indirect costs are those] costs that are incurred by a grantee for common or joint objectives and that, therefore, cannot be identified specifically with a particular project or program. These costs also are known as ‘indirect costs’” (National Institutes of Health, 2014).

This is straightforward. Expenditures connected with facilities, or costs for “general” administration, are included in indirect costs because these do not directly relate to a specific project’s activities, goals, objectives, or deliverables.

Therefore, with both private foundations and federal agencies, rent, depreciation, and/or use allowances on buildings, equipment and capital improvements cannot be budgeted as direct costs to a project. Nor can “general” administrative costs such as those associated with a department chair’s office—unless the administrator is also listed as a key contributor to a project in the proposal.
How Indirect Costs Are Calculated: Federal Agency Sponsors

When the total annual direct federal funding is less than $10 million, there are two methods to calculate indirect costs allowed by federal agency sponsors:

- Application of the negotiated indirect cost rate to the total salaries and wages in the grant budget (fringe benefits included) (OMB, 2013e).

- If there is no negotiated indirect cost rate, small institutions can apply the new 10% *de minimis* indirect cost rate authorized by 2 CFR Part 200.414. This is a major step forward for small institutions that have heretofore not had any practical way to recover indirect costs. This change is “...thereby eliminating a potential administrative barrier to receiving...Federal financial assistance” (OMB, 2013a).

**Example 1 for federal agency sponsors:**

*Institutions receiving less than $10 million per year in federal funding*

You propose a one-year training project for kindergarten teachers, total budget (direct costs) is $250,000, and a portion of the costs are stipends for the participants in the amount of $25,000. You also have a graduate teaching assistant involved and you have tuition costs of $7,500 included in the budget. The total cost budgeted for salaries and wages (including fringe benefits) is $150,000. Your allowable indirect cost rate is 27.5% of the base used in the calculation (salaries and wages).

\[
\text{Indirect costs} = (\text{total salaries and wages}) \times 0.275 = 150,000 \times 0.275 = 41,250
\]

Thus, the total requested amount from the federal agency in this example is the sum of direct and indirect costs, or $250,000 + $41,250 = $291,250.

When the total annual direct federal funding is more than $10 million, the calculation involves applying the negotiated cost rate for the institution to the MTDC base. MTDC is calculated from the total direct costs for a project by subtracting the exclusions listed in 2 CFR Part 200.68—equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subcontract in excess of $25,000 (OMB, 2013c).

**Example 2 for federal agency sponsors:**

*Institutions receiving more than $10 million per year in federal funding*

You propose a two-year research project with a total budget (direct costs) of $950,000. A portion of your budget includes an equipment purchase of $250,000. You also have three graduate research assistants with tuition costs of $51,500 included in your budget. Finally, the project utilizes
a collaborator’s laboratory which is at another university, and this sub award is $90,000. Your allowable indirect cost rate is 40% of the base used in the calculation (MTDC).

- **Step 1:** Determine what must be excluded from total direct costs to yield MTDC. The excluded items are: equipment, tuition, and the portion of the sub award in excess of $25,000. The sum of exclusions = $250,000 + $51,500 + $65,000 = $366,500.

- **Step 2:** Calculate MTDC by subtracting the sum of excluded costs from the total direct costs. MTDC = (total direct costs) - (exclusions) = $950,000 - $366,500 = $583,500.

- **Step 3:** Calculate indirect costs by applying the indirect cost rate to MTDC.
  \[
  \text{Indirect costs} = \text{MTDC} \times \text{indirect cost rate} = 583,500 \times 0.40 = 233,400.
  \]

Thus, the total requested amount from the federal agency in this example is the sum of direct and indirect costs, or $950,000 + $233,400 = $1,183,400.

It should be noted that sometimes the total direct costs will equal MTDC, in the cases where the budget does not include any of the exclusions listed above from 2 CFR Part 200.68, because there are no costs for equipment, tuition, patient care, etc. For these cases, Steps 1 and 2 are not needed, and the indirect cost rate is applied to the total direct costs (because total direct costs = MTDC) to yield the recoverable indirect costs (OMB, 2013c).

**How Indirect Costs Are Calculated: Private Foundation Sponsors**

Unlike federal agency sponsors, private foundations are not constrained to agree with one another about their rules for defining or calculating indirect costs. Therefore, prudence dictates that grant professionals adhere to the foundation’s published guidelines—in the RFP and/or on their website.

For example, the John Templeton Foundation states on its website that the Foundation “will cover overhead costs of up to 15% of the overall grant amount. However, the Foundation welcomes proposals that request a lower percentage for overhead costs” (John Templeton Foundation, 2014).

In the budget spreadsheet provided by the John Templeton Foundation, the calculation of indirect costs is accomplished by applying the 15% indirect cost rate to all direct project costs less any amount given by the awardee as pass-through grants to project participants. Also, these pass-through grants can have indirect costs applied to them, but only at a rate of 5% of this line item total. This represents an exclusion from the
total direct costs of the project, amounting to a variation of the MTDC used by federal agencies, but there are two different indirect cost rates to be applied in the calculation.

**Example for private foundation sponsors: the John Templeton Foundation**

You propose a project that will create and execute annual conferences for three years with a total budget (direct costs) of $475,800, with annual mini-research grants of $20,000 being awarded to a conference participant with the outstanding poster presented at the conference. The John Templeton Foundation indirect cost rate is 15% for all direct costs minus the mini-research grants, and 5% for these mini-research grants.

**Calculation of indirect costs using Foundation guidelines: prizes/grants are excluded from the calculation**

- **Step 1.** Determine the amount that must be excluded from total direct costs for the 15% indirect cost rate.

The excluded item is a mini-research grant award to selected conference participants, $20,000 x 3 years = $60,000.

- **Step 2.** Calculate the base used in the calculation of indirect costs at the 15% indirect cost rate by subtracting the excluded cost from Step 1 from the total direct costs.

  \[
  \text{Base} = (\text{total direct costs}) - (\text{exclusion}) = \$475,800 - \$60,000 = \$415,800
  \]

- **Step 3.** Calculate indirect costs by applying the 15% indirect cost rate to the base from step 2, then add in the 5% indirect costs from applying this lower rate to the total amount of mini-research grants.

  \[
  \text{Indirect costs @ 15\%} = \text{Base} \times \text{rate} = \$415,800 \times 0.15 = \$62,370.
  \]

  \[
  \text{Indirect costs @ 5\%} = (\text{total of mini-research grants}) \times \text{rate} = \$60,000 \times 0.05 = \$3,000
  \]

Thus, the total requested budget amount from the John Templeton Foundation in this example is the sum of direct and indirect costs, or $475,800 + $62,370 + $3,000 = $541,170.

The grant professional must pay close attention to the guidance given by the private foundation, and follow the rules and procedures closely, in order to create a responsive budget that captures all of the indirect costs allowable for the proposed project.

**Spreadsheet and Budget Justification**

**Example Including Indirect Costs**

As Renninger, Bastuscheck, and Brandolini (2007) commented, the computation of direct versus indirect costs in a grant budget is greatly
facilitated if the grant professional is working at a college or university with a negotiated indirect cost rate.

In this case, one can set up this calculation in a spreadsheet, the relevant portion of which is shown in Table 1. The indirect cost rate in this example is 30%.

Table 1: Representation of a Spreadsheet Used for Calculating Direct Costs, Indirect Costs and Total Project Costs For a Four-Year Project

<table>
<thead>
<tr>
<th>Direct Costs</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Total Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Tuition</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Equipment @ &gt;$5K each</td>
<td>7,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7,000</td>
</tr>
<tr>
<td>Participant support</td>
<td>0</td>
<td>0</td>
<td>1,500</td>
<td>1,500</td>
<td>3,000</td>
</tr>
<tr>
<td>Total Direct Costs (including costs from elsewhere in the spreadsheet)</td>
<td>98,000</td>
<td>79,000</td>
<td>77,000</td>
<td>105,500</td>
<td>359,500</td>
</tr>
<tr>
<td>MTDC (direct costs – exclusions)</td>
<td>90,000</td>
<td>78,000</td>
<td>74,500</td>
<td>103,000</td>
<td>345,500</td>
</tr>
<tr>
<td>Indirect Costs (rate = 30%)</td>
<td>27,000</td>
<td>23,400</td>
<td>22,350</td>
<td>30,900</td>
<td>103,650</td>
</tr>
<tr>
<td>Total Project Cost (total direct costs + indirect costs)</td>
<td>125,000</td>
<td>102,400</td>
<td>99,350</td>
<td>136,400</td>
<td>463,150</td>
</tr>
</tbody>
</table>

The indirect costs can be captured in a budget justification document with the statement: “INDIRECT COSTS: The indirect cost rate will be XX% of MTDC in accordance with F&A Rate Agreement approved by the Department of (name), effective (start date–end date).”

Conclusion

Incorporating indirect costs into a grant budget can be confusing, but it is important for a grant professional working at an institution of higher education to attempt to recover these costs as much as possible. This article has defined indirect costs in a practical way, using examples from federal agencies and private foundations. Some actual calculations and accounting examples have also been shown for including direct versus indirect costs in a grant budget.
References


Related Websites


Biographical Information

Richard Redfearn, PhD holds a Bachelor's Degree in chemistry from Lander University, and a Doctorate in chemistry from Duke University. Richard's experience includes 17 years as a researcher in the private sector, six years of college teaching and research experience, and five years of service to nonprofits, county government, and higher education as a grant professional. He has served the GPA Arkansas Chapter as President, Program Chair and Membership Chair. His grant and resource development accomplishments include grants for academic research in the natural sciences, grants for health education, and facilitating grant applications for faculty and staff at his current position with the Sam M. Walton College of Business at the Fayetteville campus of the University of Arkansas. The author can be contacted at rredfearn@walton.uark.edu.
Competency-based Curriculum
Development, Instruction and Assessment
for Grant-Related Professional Competencies

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Stephanie Krick, PhD
University of Central Florida, Orlando, FL

GPCI Competency 03: Knowledge of strategies for effective program and project design and development

GPCI Competency 04: Knowledge of how to craft, construct and submit an effective grant application

Abstract
This article will discuss the process of building student-centered competency-based academic programs and introduce Bloom’s Taxonomy as a basic framework for developing program curriculum and assessment. Assessment considerations will be presented and methods used to measure professional competencies. Techniques will be described and applied to several of the grant professional competencies. A major assessment challenge addressed in this article is aligning appropriate assessment measures with the specific skill or competency. Definitions and descriptions of the different types of learning levels will be presented in a table format for easy reference. Examples of assessment measures will also be provided.

Introduction
Competency-based education is student-centered and outcomes-based rather than input-based (Frank et al., 2010). The competency-based approach requires that specific competencies or performance outcomes be determined, defined, and assessed in relation to student performance or achievement of those competencies (Spady & Mitchell, 1977; Frank
et al., 2010). When developing competency-based curriculum or training programs, it is important not only to identify the appropriate competencies for a specific professional career, but to provide instructional experiences to develop those competencies and to assess and evaluate a person’s proficiency and mastery of those skills.

Competency-based education began to emerge in full force in the early 1970s and has become increasingly common among professional universities and other post-secondary education programs (Hatcher et al., 2013; Schilling et al., 2010). Several academic disciplines have adopted the competency-based approach to curriculum planning over the past 30 years. For example, the field of medicine was one of the first to readily incorporate competencies within their academic programs of study.

The trend towards competency-based curriculum and requirements can be attributed to two primary factors. First, the rising cost for post-secondary education has created a public call for greater accountability and transparency concerning programs of study (Arkava & Brennen, 1976; Frank et al., 2010; Leung, 2002; Schilling et al., 2010; Voorhees, 2001). Second, several academic professional accreditation organizations such as the Council on Social Work Education (CSWE), Accreditation Council for Graduate Medical Education (ACGME), National League for Nursing Accrediting Commission (NLNAC), and Network of Schools of Public Policy, Affairs, and Administration (NASPAA) now require or encourage the use of a competency-based education approach.

There are several benefits of the competency-based curriculum approach to students, accreditation bodies and potential employers. Students benefit by having a clear description and understanding of the faculty’s expectations of performance and what skills they can expect to develop by engaging in a specific program of study. This helps students determine which programs will equip them with the skills required for their future success and employment.

For accreditation bodies, the competency-based approach allows for objective and measurable accountability to determine the quality and impact of a program of study. Employers benefit because candidates are more knowledgeable about the specific needs and concepts of their respective field. In addition, employers are empowered to guide the content of a program of study by providing input as Advisory Board members. Their input is important to program development, because it provides the program of study with first-hand information about skills and competencies that are needed in the professional practice.

Implementing a Student-Centered Competency-Based Curriculum: A Case Study of Three Graduate Programs

As the result of changes in academic accreditation requirements, the University of Central Florida’s School of Public Administration began a strategic process to modify the graduate degree programs into
competency-based programs. Three of these programs have specific components in the knowledge of grant program or project development, grant funding and financial management, and/or grant writing as part of the curricula. These programs are:

- Master of Public Administration (MPA): prepares students to work and lead in local, state, and national public agencies;
- Master of Nonprofit Management (MNM): prepares students to work and lead in nonprofit agencies or foundations which fund nonprofits; and
- Master of Research Administration (MRA): prepares students to work and lead in research universities, hospitals, and other nonprofit research organizations.

All three programs share several learning objectives including:

- to equip students with the knowledge and skills to develop programs;
- to obtain and manage external (grant) funding; and
- to administer financial and human resources for projects often sponsored through public funding or private donations.

A hallmark feature of a competency-based curriculum is that it is student-centered. Therefore, the redesign process began by describing the broad universal domains, or competencies, that should be demonstrated by a student at the end of their program of study or training. Each of the three graduate programs has its own advisory board with members derived from the academic program faculty, alumni, and recognized practitioners and potential employers in each of the specific discipline areas. The role of the advisory board is to provide input that will help guide the mission, vision, and programmatic objectives of the program. The advisory board focuses on questions such as:

- What should a graduate of our education or training program know?
- What should a graduate of our education or training program be able to do?
- What types of attitudes and values should be embodied within this graduate?

The program’s shared vision, mission statement, and ultimately the program’s competencies are created through this process involving all stakeholders. The competencies should align with a shared conception of what a successful graduate and a professional in the field would look like. Identifying the knowledge, skills and attributes (KSAs) is accomplished
through this partnership. Multiple stakeholders ensure that the KSAs identified are aligned and up to date with 21st-century professional qualifications and expectations, thereby increasing the student's ability to find employment and be successful in the professional workforce.

Faculty and professionals may look at competency development from a different perspective than students. Faculty and professionals may look at it from the “outside in,” whereas a student may look at it from the “inside out.” In other words, faculty and professionals go from the macro to micro level. Conversely, student learning is from the micro to macro level. Qualitatively, from experience working with students in a competency-based program, when it is explained to them that a particular assignment addresses a certain competency, they are more aware of what they are learning and why it is relevant to their education.

Figure 1 provides a visual of this difference in perspective (Freed & Huba, 2000).

<table>
<thead>
<tr>
<th>Faculty/Professional Perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profession/Literature → Degree → Course → Assignment</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Student Perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assignment → Course → Degree → Career/Jobs</td>
</tr>
</tbody>
</table>

*Figure 1: Student vs. Faculty/Professional Perspective of Competency Development*

Once KSAs have been identified among all the stakeholders, the next questions to be addressed are how the program of study will support a student’s progress and achievement of these competencies.

- What courses introduce these concepts?
- What courses reinforce these concepts?
- What course activities allow the students to demonstrate KSAs?

Once the general sequence of courses is determined, then attention is focused on specific course learning objectives. Opponents of competency-based educational programs argue that this method reduces a complex combination of KSAs into a narrow list of competencies strictly focused on performance. However, this is avoided through rigor in incorporating higher-level learning objectives, providing application of the competencies through real-life scenarios and experiences, and providing opportunities for students to reflect on experiences and discuss the value of the competency in the profession.
Developing Learning Objectives Using Bloom’s Taxonomy

Bloom’s Taxonomy framework is commonly used for guiding the development of learning objectives that are linked to building desired competencies (Anderson & Sosniak, 1994). Bloom’s Taxonomy classifies three major types of educational goals: knowledge-based goals, skill-based goals, and attitudinal or affective-based goals (Forehand, 2005). These can be further divided into six major cognitive levels of learning in order of complexity as shown in Figure 2.

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge</td>
<td>Ability to recall facts, ideas, terms, regulations, policies or procedures. Knowledge of the categories or types of funding and sponsors, identifying grant methods, processes, regulations, or procedures, etc.</td>
</tr>
<tr>
<td>Comprehension</td>
<td>Ability to understand, compare, or interpret the meaning of terms or concepts. Differentiating roles/responsibilities of grant staff, recognizing the advantages of various processes or procedures in grant development.</td>
</tr>
<tr>
<td>Application</td>
<td>Ability to implement, perform a procedure or apply a concept or theory. Following grant guidelines, writing clearly, concisely, and persuasively; creating a budget in compliance with regulations, etc.</td>
</tr>
<tr>
<td>Analysis</td>
<td>Ability to examine, research, explore in order to determine conditions or to reach a new conclusion. Analyze funders’ mission for alignment to project objectives, review available data sources to support need for project.</td>
</tr>
<tr>
<td>Synthesis/ Create</td>
<td>Ability to combine different components, ideas, theories or materials into a unified whole or something new. Create an evaluation or strategic approach or plan. Create visual graphs, logic models, or tables to convey information.</td>
</tr>
<tr>
<td>Evaluation</td>
<td>Ability to appraise and justify judgment about the value, merit or worth of something. Determine the merit of preparing a proposal submission based on funder characteristics and readiness of organization to submit a proposal.</td>
</tr>
</tbody>
</table>

Figure 2: Bloom’s Taxonomy (Bloom & Krathwohl, 1956; Anderson & Krathwohl, 2001; Krathwohl, 2002)

This version of Bloom’s Taxonomy is a generalized model wherein sub-competencies are identified for major domains or universal competencies. Once competencies are finalized, learning objectives are created that build the competencies and are integrated into courses as appropriate. Anderson & Krathwohl (2001) also include a Taxonomy Table in their text that is a useful tool for aligning instruction and learning objectives.
• **Knowledge** is the first level and the primary form of cognition. Knowledge involves memorization of facts, definitions, and identification of objects or concepts. Learning objectives often start with verbs such as “list,” “define,” or “identify.”

• **Comprehension** involves understanding the facts or concepts, exhibiting the ability to explain, interpret, describe or give examples of a concept.

• **Application** requires application of knowledge and comprehension of a topic or concept. These learning objectives include how to solve a problem, predict outcomes, or demonstrate the use of knowledge or comprehension in a given area.

• **Analysis** requires the strict scrutiny of a concept or process. The learning objective is to categorize, summarize, or classify a subject.

• **Synthesis** requires compilation of different components to create a new model, design, or structure. This learning objective asks students to formulate a new plan or integrate knowledge to generate a new product or report.

• Finally, **Evaluation** consists of judgments based on standards to make comparisons or justifications for a specific position on a topic.

After the learning objectives are determined and integrated into the course curriculum for each of the competencies, instructional content and strategies, and the assessment and evaluation methods and techniques are ascertained.

**Strategies and Learning Experiences to Develop Professional Competencies**

When developing professional competencies, the improvement and application of higher level critical thinking skills is the primary concern. Although facts and an in-depth understanding of terms and concepts are foundational, it is generally expected that students must perform in a complex working environment. Students must be able to locate, identify, and gather pertinent information. They also must be adept at the synthesis of information for application in writing grant proposals, project reporting, decision making, problem solving, and program improvement. Courses in the MPA, MNM and MRA programs use several instructional strategies to provide students with multiple opportunities to apply and practice the knowledge and skills to develop the competencies required for graduation and the workplace.

*Case Studies:* One of the more common instructional methods used within the classroom setting is the examination of case studies. Historically,
law, medical, and business schools use this method. Case studies provide real-world examples of issues and problems faced by grant professionals in the field. Students gather information about case scenarios to solve a specific problem faced in public and nonprofit agencies. Cases can be simple or complex providing opportunities for students to discuss ethical issues, ambiguous situations, and the implications of specific political or cultural environments. The case study approach often involves having students identify the issues and key facts or considerations, determine the context of the problem, identify possible solutions or actions, and make recommendations. Case studies can also be conducted using role-playing or even a debate panel format depending on the learning goals of the assignment.

Service Learning Course: Another method used to develop competencies is through service learning. In service learning courses, formal agreements with community partners allow students to provide a service in a structured learning environment. The services provided must address the course objectives and provide the opportunity for students to demonstrate various competencies. Service learning in the School of Public Administration provides students an opportunity to actively participate with a community nonprofit or public organization in such activities as grant writing, strategic planning, or program evaluation to meet a community agency need. By working with a community partner, students can apply theory to practice and demonstrate in real-world situations their understanding of course objectives.

This approach has many benefits for the students, allowing them to foster connections with agencies and expand their professional networks. In addition to meeting the learning objectives of the course, it provides experiences for students to develop cultural and social competencies often needed by grant professionals. Based on student feedback, these service learning experiences help to nurture their sense of community and civic engagement.

Considerations for Competency-based Assessment

The purpose of competency-based assessment is to determine how well a student has achieved an acceptable level of professional competency. Assessment of student learning for mastering of professional competencies must occur throughout the length of an education program. Assessment and evaluation are important to establish clear standardized criteria for determining skill proficiency, to develop a quality educational or training program, and to ensure a continuance of program improvement. In addition, clear competency assessment promotes transparency and accountability of educational and training programs.
When using assessment as a tool, there are three principles to follow:

- **First**, assessments can function as either a formative tool or a summative tool. Formative assessments should occur regularly to monitor students’ learning and allow for adjustments in instruction as needed. Students require multiple opportunities to cultivate specific skills and attributes through application or demonstration accompanied by informative feedback. Summative assessment occurs after instruction and is typically based on a predetermined standard to reflect a grade or level of proficiency (Anderson & Krathwohl, 2001). Even after graduation, assessments continue for obtaining other professional certifications, such as the Grant Professional Certification (GPC), or as part of a professional development program throughout one’s professional career.

- **Second**, the assessment and the instruction should be aligned. If instruction of the learning objectives is not aligned with the assessment, students will no longer focus on the instruction or learning, but focus only on determining what will be assessed. The instructional content and objectives should focus on learning objectives and the assessment needs to measure how well students understand the content and how well they are able to apply the information within a real-world context.

- **Third**, assessments need to be reliable and valid. Reliable assessments are internally consistent and produce consistent results when used among diverse student populations and when administered at different times. Validity refers to how accurately the assessment instrument (test, survey, observation tool) measures what it is supposed to measure (Nitko & Brookhart, 2011). Validity can only be achieved if assessments are well aligned to targeted learning objectives. These two properties are often difficult to achieve and could be addressed in a future article. Different types of competencies and/or learning objectives require different types of assessment techniques.

### Selecting an Assessment Type Based on Bloom’s Taxonomy

Bloom’s Taxonomy is a useful tool to determine the level of thinking for a learning objective and when aligning an appropriate assessment method to the learning objective.

It is important to note that there is no one superior assessment method. Each method has particular strengths and weaknesses and ability to measure different levels and types of competencies (Van Der Vleuten, 1996). In Table 1 on the next page, different assessment types are presented aligned with Bloom’s Taxonomy’s level of cognitive thinking. Assessments can vary in cognitive levels they measure based on how they are individually designed or structured.
Table 1: Assessment Types

<table>
<thead>
<tr>
<th>Type of Assessment</th>
<th>Bloom's Level*</th>
<th>Examples</th>
<th>Advantages/Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instructor created tests/quizzes; licensure/certification testing</td>
<td>K, C, APP, ANA, S, E</td>
<td>Students respond to a multiple choice questionnaire or short or essay-length responses that may require different levels of cognition and skills</td>
<td>Easily scored, difficult to develop questions to measure complex integration of information, application, and demonstration of social competencies</td>
</tr>
<tr>
<td>Pre/post testing</td>
<td>K, C</td>
<td>Sample questions from a certification exam are provided as students enter the program and at the end of the 2-year program</td>
<td>Easily scored, provides quantitative data to measure knowledge gained, difficult to develop two equivalent pre/post assessments</td>
</tr>
<tr>
<td>Observations</td>
<td>APP</td>
<td>Students are observed engaging stakeholders, working in teams, or conducting a meeting to see how well they apply social and leadership competencies</td>
<td>Good for assessing behavioral objectives/competencies and higher level skills, time-consuming, may be difficult to maintain consistency in scoring with different reviewers</td>
</tr>
<tr>
<td>Written paper</td>
<td>K, C, APP, ANA, S, E</td>
<td>Students write a grant proposal with specific proposal components: Background, Problem Statement, Project Design and Objectives, Qualifications, Evaluation Plan, and Budget Narrative</td>
<td>Good for assessing behavioral objectives/competencies and higher level skills, time-consuming to read and score</td>
</tr>
<tr>
<td>Reflective writing and journals</td>
<td>K, C, S, E</td>
<td>Students write a reflection on a project or service learning experience designed to assess multiple competencies</td>
<td>Good for assessing higher level evaluative competencies, time-consuming to read, difficult to maintain scoring consistency</td>
</tr>
<tr>
<td>Self- and peer-evaluation</td>
<td>K, C, APP, ANA, E</td>
<td>Students or their peers are asked to evaluate their performance within a specific competency or set of competencies</td>
<td>Easy to score (students score themselves and each other), difficult to maintain consistency in scoring with different reviewers</td>
</tr>
<tr>
<td>Exhibitions, posters, and demonstrations</td>
<td>K, C, S, E</td>
<td>Student prepares a poster of research or a project conducted as part of a course to assess comprehension of a topic and communication skills</td>
<td>Good for assessing higher level synthesis and evaluative competencies, difficult to maintain scoring consistency</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------</td>
</tr>
<tr>
<td>Presentations</td>
<td>K, C, APP, ANA, S, E</td>
<td>Students orally present a research paper, case study, or poster to assess communication skills</td>
<td>Good for assessing higher level synthesis and evaluative competencies, difficult to maintain scoring consistency</td>
</tr>
<tr>
<td>Case Study or scenario</td>
<td>K, C, ANA, S, E</td>
<td>Students are presented with a real-life situational problem at a public or nonprofit agency that is designed to engage them in reasoning and decision-making</td>
<td>Good for assessing higher level synthesis and evaluative competencies, may be time consuming to score, difficult to maintain scoring consistency</td>
</tr>
<tr>
<td>Service learning</td>
<td>K, C, APP, ANA, S, E</td>
<td>Students work with nonprofit and public agencies to develop strategic plans, proposals, and evaluation plans</td>
<td>Good for assessing behavioral objectives/competencies and higher level competencies, time-consuming, may be difficult to maintain consistency in scoring</td>
</tr>
<tr>
<td>Portfolios</td>
<td>K, C, APP, ANA, S, E</td>
<td>Students showcase their skills, work experience, projects, and potential for future employers. Includes resume, samples of publications, projects, presentations, etc. completed over the course of the program and assess multiple competencies</td>
<td>Good for providing a comprehensive review of all levels of competencies, time-consuming to score</td>
</tr>
<tr>
<td>Capstone experience</td>
<td>K, C, APP, ANA, S, E</td>
<td>Students are given a project that incorporates the use of multiple competencies obtained during the academic program</td>
<td>Good for assessing behavioral objectives/competencies and higher level competencies, time-consuming, may be difficult to maintain consistency in scoring</td>
</tr>
</tbody>
</table>

*Bloom's Levels: Knowledge (K), Comprehension (C), Application (APP), Analysis (ANA), Synthesis/Create (S), Evaluation (E).*
Different assessment types are better used as a formative than as a summative assessment. Quizzes, essays and journals tend to be effective for formative assessments. Capstone courses, portfolios and presentations tend to be more useful for summative assessments (Anderson & Krathwohl, 2001). Therefore, development of an appropriate assessment requires:

- knowing the learning objective to be assessed;
- appropriately identifying the cognitive level(s) to be assessed;
- identifying if the assessment is being used as a formative or summative tool; and
- consideration of the advantages and disadvantages related to type of assessment.

Table 2 represents a sample of GPCI competencies with a corresponding level of cognition from Bloom's Taxonomy for the skill selected as shown in Figure 2 (page 24). This example demonstrates the alignment of a specific competency or skill with an assessment method.

**Table 2: Grant Professional Competencies and Assessment Techniques**

<table>
<thead>
<tr>
<th>Competency and Skill</th>
<th>Bloom's Level</th>
<th>Assessment Type</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. Knowledge of how to research, identify, and match funding resources to meet specific needs</td>
<td></td>
<td></td>
<td>Describe 3 methods for maintaining and tracking potential funders.</td>
</tr>
<tr>
<td>05. Identify methods for maintaining, tracking, and updating information on potential funders.</td>
<td>K, C</td>
<td>Exam -short essay question</td>
<td>Describe 3 methods for maintaining and tracking potential funders.</td>
</tr>
<tr>
<td>02. Knowledge of organizational development as it pertains to grant seeking</td>
<td>C, ANA, S, E</td>
<td>Case Study</td>
<td>XYZ organization has a mission and vision statement only. Explain how this impacts their grant seeking capacity and make recommendations to increase their capacity.</td>
</tr>
<tr>
<td>03. Knowledge of strategies for effective program and project design and development</td>
<td></td>
<td></td>
<td>Describe the relationships between the project goals, objective, activities, and evaluation.</td>
</tr>
<tr>
<td>05. Identify appropriate definitions of and interrelationships among elements of project design (e.g., project goals, objectives, activities, evaluation).</td>
<td>K, C</td>
<td>Essay Question</td>
<td>Describe the relationships between the project goals, objective, activities, and evaluation.</td>
</tr>
<tr>
<td>04. Knowledge of how to craft, construct, and submit an effective grant application</td>
<td></td>
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<td>---</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>07. Identify appropriate and accurate uses of visuals to highlight information.</td>
<td>K, C, APP, ANA, S</td>
<td>Poster presentation</td>
<td>Create a poster using text and graphics to describe and illustrate the problem statement, project design, and project impact</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>05. Knowledge of post-award grant management practices sufficient to inform effective grant design and development</th>
</tr>
</thead>
<tbody>
<tr>
<td>03. Differentiate roles and responsibilities of project and management staff and other key principals affiliated with grant projects.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>06. Knowledge of nationally recognized standards of ethical practice by grants professionals</th>
</tr>
</thead>
<tbody>
<tr>
<td>08. Identify unethical and illegal expenditures in a budget.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>07. Knowledge of practices and services that raise the level of professionalism of grant Professionals</th>
</tr>
</thead>
<tbody>
<tr>
<td>04. Identify strategies that grant professionals use in building social capital to benefit their communities and society at large.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>08. Knowledge of methods and strategies that cultivate and maintain relationships between fund-seeking and recipient organizations and funders</th>
</tr>
</thead>
<tbody>
<tr>
<td>03. Identify methods to help fund-seeking organizations create effective collaborations with other organizations appropriate to funders' missions and goals.</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>09. Ability to write a convincing case for funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>03. Organize ideas appropriately.</td>
</tr>
</tbody>
</table>

*Bloom’s Levels: Knowledge (K), Comprehension (C), Application (APP), Analysis (ANA), Synthesis/Create (S), Evaluation (E).*
Conclusion

Competency-based programs promote the transparency and accountability of educational and training programs (Voorhees, 2001). In addition, competency-based programs provide benefits to students, instructors, and organizations. Students are able to gauge and appraise their areas of professional strength and areas that need further development. Students are also clearly aware of the expectations of the program in regards to their performance and what KSAs they can anticipate obtaining from completing the educational program. Instructors and organizations benefit by aligning their curriculum content, resources, activities, and assessments to assist students in gaining professional competencies and to align specific content or activities to provide quality and effective instruction or training. Competency-based curriculum allows instructors to sequence their instruction appropriately to build specific competencies, assist in identifying student growth in mastering competencies and clearly identify gaps for expanding into new areas of professional expertise. Effective assessments provide instructors feedback to determine the needs of their students and create a dialogue for continuous professional improvement during discussions with students on their performance. These considerations and strategies, often applied in the academic context, are relevant to the grants profession and to aligning appropriate assessment measures with specific GPCI competencies and skills.

References


Competency-based Curriculum Development, Instruction and Assessment for Grant-Related Professional Competencies


Biographical Information

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Advancing Organizational Development: Strategies for Overcoming Fixed Budgeting Challenges

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GPCI Competency 02: Knowledge of organizational development as it pertains to grant seeking

Abstract

Many nonprofit organizations use a fixed budgeting (also known as static budgeting) strategy to ensure stability and spending control. Within this budgeting context, grant professionals must focus their efforts on funding existing programs, as opposed to working with program staff to develop new programs. There are many benefits to fixed budgeting, such as real-time budget variance analysis and protection from mission drift; however, fundraising against a fixed budget can be challenging for grant professionals. Fixed budgets can elicit a false sense of funding security for program managers and funders, cause confusion about and resistance to the use of unrestricted versus restricted funds, and pose unique challenges to the grant professional. After outlining these challenges, this paper discusses several strategies that grant professionals can employ to overcome them. In particular, grant professionals must work to build relationships and lines of communication with program managers to educate them on the grants process within the fixed budgeting context and to secure their buy-in. Second, grant professionals must develop specialized approaches to prospect research, funder relationships, and proposal writing in order to successfully secure grant funds. These strategies will provide grant professionals with tools to successfully navigate and work in fixed budget environments.
Introduction: What is Fixed Budgeting?

Fixed budgeting is an approach to budgeting wherein the available revenues for any given program do not grow relative to secured funds. A program’s budget is planned in advance using past accounting information and the budget typically will not change (unless revised downward). In this fixed budgeting context, grant funds “relieve” the budget—they fund existing programs and the approved budget, as opposed to funding new activities or programs.

Conversely, in a flexible budgeting context, grant funding is added to the current budget; the budget grows as a result of a grant. Therefore, at any given time, an organization’s budget can increase or decrease as grants start and stop. Many grant professionals, particularly those seeking federal funding, write grants in response to specific requests for applications or requests for proposals (RFAs or RFPs). It is rare to find a large federal grant that fits nicely within a previously created program without expanding the program in a new way. Indeed, federal funding generally has increased program spending in nonprofits, rather than having a net-zero effect (Sloan & Grizzle, 2014). Along these lines, a flexible budgeting approach can allow organizations to expand current programs, and sometimes, to create new programs by expanding the budget.

This is not to say that fixed budgeting and flexible budgeting are mutually exclusive budgeting approaches. Indeed, many organizations use a hybrid approach depending on the programs and how they fit within the strategic plan. Fixed budgets are useful, because they allow for real-time variance analysis. They enable the organization to monitor and document the difference between budgeted and actual revenues and expenses. Also, a fixed budget protects the organization from allowing a funding opportunity to dictate the trajectory of service delivery, which can lead to potential mission drift and can be very tempting for many organizations in this era of scarce resources. A grant-driven project that does not fit within the organization’s mission and preapproved budget may struggle with long-term success, even if the project receives funding (Kurup & Butler, 2008). Fixed budgets provide an important level of stability and spending control and help an organization prioritize its program needs and activities.

In a nonprofit that must raise the majority of its operating funds each year, a fixed budget can lead to a false sense of security for organizational staff. Furthermore, a fixed budget can cause confusion regarding the use of unrestricted funds and restricted funds, especially if the organization is primarily funded with unrestricted funds. During the annual budgeting process, senior leadership approves or denies specific program activities to ensure the organization stays within its mission and the approved budgeted amount. Through this process, the senior leadership is, in essence, indicating, “Yes, we think that based on past...
experience, we will raise enough funds to support these programs.” What senior leadership may not be stating is how these funds will be secured or that, although approved, a majority of these funds do not yet exist—a point many program managers can overlook. Finally, a fixed budget restricts an organization’s ability to be opportunistic and use potential grants to expand or start a new program outside of the approved budget.

Without proper communication, fixed budgets can cause unnecessary resistance and confusion for program managers, funders, and grant professionals, and impact them in a variety of ways. This paper focuses on how fixed budgets elicit a false sense of security for program managers and funders and cause confusion about and resistance to the use of unrestricted versus restricted funds for program managers and grant professionals. The paper will then outline strategies that grant professionals can employ to overcome these challenges, with a focus on the importance of communication between grant professionals and staff and on developing specialized approaches throughout the grants process.

**False Sense of Security**

In an organization that has been working with a fixed budget and large amounts of unrestricted funds, a false sense of security can develop that makes working with grants unattractive and difficult for program managers. Program managers at large nonprofits may disproportionately be affected by this false sense of security; their specific programs are often only one small piece of the organization and consequently they are even more removed from the fundraising and budgeting processes.

This perspective on grants generally emerges in the process of approving a fixed budget. With an approved, fixed budget, program managers may think, “If my budget has been approved, and this is how much money I have to spend, why do I need grants?” What they often do not understand is that the majority of the funds have yet to be secured. When interacting with program managers, grant professionals encounter this false sense of security and can struggle with gaining sufficient cooperation and buy-in.

Program managers are not the only group that can be misled by the presence of a fixed budget. When sharing an organization’s budget with a potential funder, it can be difficult to show the need for grant funds. Funders develop requests for grant applications with the assumption that the organization applying for the grant does not have enough funds to implement the program described in the grant application. Funders seek this information by asking different types of questions; for example, they often want to know what funds are already secured for the program and ask for details on fund distributions (see Figure 1 on the next page). When a program budget is heavily dependent on unrestricted funds, it is challenging for grant professionals to relay this information succinctly.
When an organization has committed to fund 100% of a program, a fixed budget, without proper explanation, can make it appear that an organization already has the funds it needs for its programs. To a funder, a grant proposal in this context might look less urgent and may therefore be less likely to win. Documenting exactly what a program needs and expressing the urgency for that funding is a fundamental element of not only successful grant writing but all fundraising (Ahern, 2012). The fixed budgeting context poses challenges to expressing urgency.

In sum, a false sense of security around the availability of funds puts a greater burden on grant professionals and can be counterproductive to a collaborative grants process within an organization. Grant professionals need to carry more weight in the grants process (research, writing, and post-award management), because the notion of needing grants to support programs is not fully understood. Misunderstandings around a fixed budget can also affect the ability of grant professionals to win awards. Strategies for overcoming these challenges are outlined in more detail below.

### Restricted and Unrestricted Funds in a Fixed Budget

The notion of unrestricted funds versus restricted funds in a fixed budget can also be confusing and unnecessarily complicated. When an organization receives donations and gifts that are allocated to general support (unrestricted funds), the organization has the freedom to allocate the funds as it sees fit. When working with grants, which are typically restricted, the organization must allocate them to the program as defined by the grant contract, and program staff must assist the grant professionals with tracking this funding. Program managers, therefore, tend to understand that spending unrestricted funds is easier than soliciting and tracking restricted grant funds. If a fixed budget does not identify specifically which programs receive restricted funds, program managers may assume their program will be funded with unrestricted funds or that grant funds will provide additional funds. If they later learn that their program requires grant support, they may view the grant professional as bringing more, seemingly unnecessary, work to day-to-day activities.

Similarly, writing grants for restricted funds within a fixed budget includes additional complications. A grant professional could be fighting an uphill battle when asking program staff to help write, manage, and
track grants, because unrestricted funds are not perceived to require the same amount of work. This is more likely in a large organization with diverse funding sources, and especially in organizations in which grants constitute a small percentage of the overall revenue stream. Program managers may not necessarily perceive grants as integral to their success. This is not a sign that program managers are not invested in their program’s success, but that in order to win grants, it is important that the grant professional impart the importance of grants to the manager.

In addition to being viewed as burdensome and extraneous, applying for grants within a fixed budget can be less attractive for grant professionals who may feel that they are restricted to funding approved programs. For many grant professionals, an appealing part of working with grants is the excitement and possibility of implementing an expanded or new program. Within a fixed budget, the program manager is unable to use restricted grant funds to support non-budgeted program activities. This may lead to a negative cycle: if the program is already approved with unrestricted funds, why work harder to write and manage a grant for the same program? This situation creates resistance to working with grant professionals and securing sufficient buy-in from program managers.

Lack of ability to fund a new or expanded program can also narrow the pool of potential funders. Like program managers, some funders want to be part of new and exciting programs in addition to supporting successful, outcome-based programs. Some RFAs and RFPs are designed to fund new programs or expand current successful programs. When fundraising against a fixed budget, grant professionals must eliminate those opportunities from their list of prospects. Rather, grant professionals must search for and secure grant funds that align with the approved programs. However, many potential funders’ priorities or focus areas may not fit within the organization’s approved programs. In fact, large grant opportunities, and most federal grants, will rarely fit nicely within an organization’s fixed budget.

**Overcoming Fixed Budgeting Challenges**

Grant professionals must employ several strategies to address these challenges. First, grant professionals must form relationships and build lines of communication with program managers to educate them on the grants process within the fixed budgeting context. Second, grant professionals must develop specialized approaches to prospect research, funder relationships, and proposal writing in order to secure grant funds. Internal relationship building is important for any organization’s success, but it is absolutely critical that grant professionals, program staff and managers, and senior leadership work together in the grants process (Carter, 2004). Many grant professionals feel isolated in their work, which can lead to a lack of strategic planning around grantseeking.
and can have detrimental effects on the organization’s ability to raise grant funds (Farqui, 2011). But it is often up to the grant professionals to wear many hats—as advocates, facilitators, and coordinators—to build functional relationships and establish lines of communication and enthusiasm for collaborative grantseeking.

The grant-professional literature is rich with many approaches one can take to build internal relationships and engender greater communication and collaboration (Carter, 2004; League, 2003; Ingledue, 2009; Shambach & Guevarra, 2003). For example, League (2003) recommends putting together a proposal development team composed of key stakeholders who can contribute different areas of expertise, such as writing, editing, and program development. He further recommends designating an internal liaison on the team who is responsible for sharing information with the team throughout the proposal development process. The writer can serve as the internal liaison, or in a larger group, this role can be served by another team member. Regardless, consistent and regular communication is one of the critical and necessary first steps toward meaningful collaboration.

Grant professionals can also encourage effective collaboration by making connections between stakeholders, facilitating long-range planning, coordinating logistics, guiding the proposal development process, and maintaining momentum (Carter, 2004). Similarly, Ingledue (2009) argues that grant professionals must build relationships with, secure buy-in from, and help their colleagues in the project planning phase in order to successfully plan and develop a grant proposal. Though often not an easy task, these efforts pay dividends in the future as a proposal will be more cohesive, stronger, and more likely to succeed.

Once relationships and lines of communication have been established—no small achievements in themselves—grant professionals can turn their attention to addressing the challenges and impacts of fixed budgeting on program managers. For example, when talking with program managers about their programs and budgets, grant professionals can remind them that the approved, fixed budget is based on revenue and expense projections and the funds still need to be raised for their programs. If there is continued resistance to grants or widespread misconceptions, grant professionals may need to provide some examples or recruit the assistance of senior leadership to facilitate broader learning.

Once these misunderstandings have been addressed, grant professionals must then train program managers on the grants process—prospect research, proposal development, submission, tracking awarded funds, and reporting—and how program staff are critical to the process (Ingledue, 2009; Kurup & Butler, 2008; Shambach, & Guevarra, 2003; Whitmore, 2002). This education can range from informal discussions to formal trainings and dissemination of resources. The authors suggest a combination of these approaches for the best success; conversations
with program managers about how grants fit within the fixed budget context can be followed up with a written description of the issues and an overview of the grants process. If needed, grant professionals can develop webinars or other presentation materials to formally train program staff in the grants process. Either way, a one-time training is most likely insufficient for sustained culture change around grants.

Grant professionals can facilitate long-term change through regular check-ins with program managers and/or senior leadership to answer any questions and provide reminders about the role of grants. Another strategy is to provide regular organization-wide updates such as a grants newsletter. A newsletter can help grant professionals express their enthusiasm for awarded grants and publicly thank the program staff involved. Regardless of the training approach, Shambach and Guevarra (2003) recommend keeping it simple. Many people are intimidated by the proposal writing process, which can become a significant barrier to meaningful participation. Trainings need to be succinct and clear.

While building collaborative relationships and educating colleagues on the grants process are challenges in themselves, grant professionals working within a fixed budgeting context must also approach their craft somewhat differently. Grant professionals must be very skilled at and spend a lot of time on prospect research to find funders whose interests align with existing programs. While this is no different from the grants process in any budgeting context, the restrictiveness of fundraising against a fixed budget means that grant professionals have less flexibility and, potentially, fewer options. On the other hand, securing funding for existing programs allows grant professionals the opportunity to engage funders with the programs and use program data to show successes and ongoing needs, a strategy not available when seeking funding for new programs.

Once appropriate funders have been identified, grant professionals must take care to write proposals that impart the urgency and need for grant funds. Of course, this is what all grant professionals must do, no matter the budgeting system of their organization. However, given that a fixed budget can diminish the appearance of financial need, grant professionals in this context need to take care to ameliorate this in two ways.

First, the narrative should focus on outcomes, successes, and the role the funder needs to play in effecting positive outcomes. This is a best practice for all fundraisers (Ahern, 2012), but it is a particularly helpful approach within the fixed budgeting context. Resting the case on the lives that will be saved, helped or enriched as a result of a grant will engage the funder and may take some emphasis off the budget scenario. There are other creative approaches to writing compelling proposals. Grant professionals can present information in a number of ways—stories, testimonials, tables, statistics—to generate interest and result in a winning proposal (Langille & Mackenzie, 2007).
Second, a grant professional needs to be aware of the fact that there could be a disparity between the persuasively urgent narrative and the budget document. Eliminating this disparity is critical. To do so, the grant professional can include a short description of the organization’s budgeting approach and subsequent fundraising strategy. It is important for the writer to convey that, although it looks like the organization is committed to funding the entire program with unrestricted funds, the ability to do so is contingent on actually raising the money.

**Conclusion**

While fixed budgeting poses unique challenges to grant professionals and program managers, these challenges are not insurmountable. Many of the best practice recommendations—relationship building, effective communication, educating colleagues on the grant development process, and strategic proposal development—apply to grant professionals working within a fixed budgeting context. To implement these best practices, the challenges of fixed budgeting must be understood, acknowledged, and addressed properly.

This article takes a first step in better understanding the challenges of fixed budgeting; however, the grants profession would benefit from more research in this area. In particular, it would be helpful to understand the extent to which other grant professionals experience these challenges and what their strategies are for overcoming them. Research on fixed budgeting differences according to the size of an organization, type of service provided, or the age of an organization would also be helpful to better prepare grant professionals working in a variety of settings.

**References**


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**Biographical Information**

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The Needs Assessment: Making the Connection Between Data and the Nonprofit Story

Kristal Johnson
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*GPCI Competency 04: Knowledge of how to craft, construct, and submit an effective grant application*

Abstract

Demonstrating a need is an essential part of creating a strong grant proposal. Typically, great care and attention are taken to develop proposal components such as the proposed activities, budget, and timeline. However, one of the grant professional’s most important responsibilities is to present a solid case for funding and to make a strong connection between available data and a nonprofit’s “story.” This article focuses on the Needs Assessment section of a proposal and presents several methods to seamlessly integrate a nonprofit’s storytelling with data to help create a compelling connection. Strategies presented include providing a descriptive solution that illustrates the impact of a program on clients and their community; presenting solid data that are specific and relevant to the cause; and telling a nonprofit’s story in a way that focuses on the clients. Such approaches will help grant professionals make a strong case with a compelling Needs Assessment and optimize a nonprofit’s chances of receiving support. The Needs Assessment is critical to the review process because it presents an opportunity to demonstrate to the funder the nonprofit’s understanding of the community issue and its ability to address the need (Gohr, Hielkema & Sanchez, 2010).

Introduction

A nonprofit’s story is only compelling when data exist to support its case. When a grant proposal is submitted for review, the reviewer seeks to find evidence to back up the reason the organization is requesting support.
Prospective grantees must present a case that tells how the organization will resolve the issue at hand.

Grant professionals must consider the key message to be conveyed to the audience and then craft the Needs Assessment section to highlight this message. The grant professional can use specific methods to enhance the nonprofit’s story and connect it to persuasive data. This article presents several ways for grant professionals to seamlessly integrate the nonprofit’s storytelling with data. Three strategies are suggested for grant professionals to develop a multi-faceted approach to the Needs Assessment section of the grant proposal: 1) provide a descriptive solution that illustrates the impact it will make to the clients and community; 2) present solid data that are specific and relevant to the cause; and 3) tell the nonprofit’s story in a way that focuses on the clients.

**Strategy 1: Provide a Descriptive Solution that Illustrates the Impact that the Nonprofit Will Make to the Clients and Community**

In *The Non-Profit Narrative*, Dan Portnoy states, “boring the audience is a terrible thing. Tell the story and tell it well. Help the audience know the struggles and triumphs in a multi-channel approach with multiple entry points” (Portnoy, 2012). Everyone loves a good story. However, unlike a great novel, grant proposals are not necessarily read in chronological order. Reviewers need to read convincing proposals that make them pause. When telling the nonprofit’s story, grant professionals must focus on the clients and the radical transformation the program will create.

Funders want to charge through a proposal and find information that answers questions like: Is the program innovative? Does the program idea make sense? Will it serve the needs of the clients and future clients?

Grant professionals can describe the story in a visually compelling manner that captures the reviewer’s attention. Including infographics is a great way to get the funders’ attention. Infographics are an effective visual aid that succinctly illustrates community needs. The infographic in Figure 1 on the next page, developed by Transform Consulting Group, presents supporting data for funding to improve educational outcomes for children in an Indianapolis neighborhood:

Using an infographic is a creative way to tell a nonprofit’s story. The Pisces Foundation’s David S. Beckman (2013) endorsed the use of infographics:

> Infographics can play a role in philanthropy, too. They may be better than a typical funding proposal in conveying a problem and a set of solutions—and the pathway in between....Boiling an idea down to its essence and presenting it in a compelling way is perhaps the fundament of grant prospecting. (para. 5)
One note of caution on infographics: no need to be elaborate. A reviewer will not focus on the design as much as on the information shared. Infographics can be created from free templates available online or by using Microsoft PowerPoint.
Strategy 2: Provide Solid Data that are Specific and Relevant to the Cause

Data are an important part of the grant application; they make the story understandable and the mission urgent. Data can keep the grant reviewer reading or can create disinterest. Data, just like the infographic, support the nonprofit story.

The Community Research Institute released a report entitled Nonprofits and Data—A How-To Series. The report offers insight into the importance of data. Data in the form of raw numbers, percentages, and ratios give necessary support to the information the funder requests. Specifically, data can answer critical Needs Assessment questions such as:

- Who is in need?
- Where are they?
- When is the need evident?
- What is the need?
- Why does this need occur?
- What are the consequences of meeting the need? (Community Research Institute, 2004)

When including data in the grant proposal, writers must ensure the data meet four commonly accepted guidelines: the data must be recent, relevant, regional, and reputable.

- **Use recent data.** The funders want to know the problem presented is a problem currently affecting the community. Using the most recent data informs the funder of the urgency.

- **Use relevant data.** When searching for data, it is easy to be bombarded with an influx of information from multiple resources. An easy way to determine whether the data is relevant is to consider what it addresses specifically in relation to the topic.

- **Use regional data.** Local data helps present a solid case in the proposal. The nonprofit is attempting to solve an issue that is plaguing the local area. The issue is more than likely already known to the funder. To drive the point home, use data that pertains to the relevant vicinity of the proposed project.

- **Use reputable data.** Government agencies provide community, state and national statistics that are considered reputable, whereas data retrieved from local newspapers, magazines and search engines are not considered as trustworthy.
Strategy 3: Tell the Nonprofit Story in a Way that Focuses on the Clients

Another way to connect the data and the nonprofit story is by illustrating the impact the nonprofit will make on the clients and community. In addition to the data, incorporating charts, graphs and tables creates a complete picture. Visual elements that portray client impact give the proposal reviewer a much-needed break from reading the text. When including presentation tools such as charts or graphs, make sure the comparisons and trends connect with the existing data.

The following examples from a successful grant proposal focus on the impact on clients and the community. In Table 1, statistics for School District X from the 2001-2002 school year demonstrate profound socioeconomic and educational disadvantages. This table helps the grant writer portray a sense of urgency. The information given in the table keeps the focus on the client and shows why an early intervention program is needed. For the purposes of anonymity, identifying factors have been removed.

**Table 1: Client-Focused Statistics, School District X, 2001-2002**

<table>
<thead>
<tr>
<th>Participating Schools</th>
<th>Total Enrolled</th>
<th>Performance Index</th>
<th>% of Black Students</th>
<th>% of Students Living in Single Parent Homes</th>
<th>% of Students Receiving Free Meals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle School V</td>
<td>515</td>
<td>1.8</td>
<td>98%</td>
<td>80%</td>
<td>100%</td>
</tr>
<tr>
<td>Elementary School Y</td>
<td>610</td>
<td>1.8</td>
<td>97%</td>
<td>85%</td>
<td>100%</td>
</tr>
<tr>
<td>High School Z</td>
<td>510</td>
<td>1.8</td>
<td>98%</td>
<td>87%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Note: from SchoolGrants, n.d.

In the same proposal, the grant writer also interviewed students, asking them what they perceived as “risk factors” affecting their education. The resulting statistics of 555 students surveyed are as follows:

**Table 2. Client-Focused Survey, High School Z, October 2001**

<table>
<thead>
<tr>
<th>Risk Factor</th>
<th>% “At Risk”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Failure</td>
<td>89%</td>
</tr>
<tr>
<td>Teen Pregnancies</td>
<td>55%</td>
</tr>
<tr>
<td>Drug and Alcohol</td>
<td>45%</td>
</tr>
<tr>
<td>Delinquency/Truancy</td>
<td>60%</td>
</tr>
<tr>
<td>Lack of Recreational/Cultural Program</td>
<td>90%</td>
</tr>
</tbody>
</table>

Note: from SchoolGrants, n.d.
By asking the clients their opinions, the grant writer is tying the data to the nonprofit’s story because the data represents the clients’ views of factors prohibiting a quality education.

**Conclusion**

This article supports a multi-faceted approach to the Needs Assessment section of the grant proposal. To help make the connection between data and the nonprofit story, three methods are essential:

1. Provide a descriptive solution that illustrates the impact it will make to the clients and community. In the Needs Assessment section, the program idea must make sense in the minds of the reviewer and the committee. Use infographics, charts and tables to convey a message in a captivating way. When writing the Needs Assessment, focus should always be on anticipating and addressing the reviewers’ questions.

2. Provide solid data that are specific and relevant to the cause. Data must be recent, relevant, regional from local sources, and reputable. The example used is taken from the Community Research Institute. When a nonprofit uses data it must address and answer critical Needs Assessment questions such as: Who is in need? Why does this need occur? How does the need link to the organization?

3. Tell the nonprofit’s story in a way that focuses on the clients. The example of a successfully awarded proposal presented data and statistics for School District X from 2001–2002 school years. The table illustrates how prospective clients’ social-economic situation and educational disadvantages are affecting their academic life. The proposal writer used this example to convey to the reviewer that there was a critical need for the nonprofit’s mentorship program.

The Needs Assessment can be the most versatile and creative part of the grant proposal by connecting the heartfelt story with reliable data. To successfully compete in the review process, it is imperative for grant professionals to use different methods of presenting data in a convincing manner. Suggestions for further reading are Dan Portnoy’s *The Non-Profit Narrative* (2012) and Cheryl Clarke’s *Storytelling for Grantseekers* (2009). Both publications suggest ways to use nonprofit storytelling to appeal to potential donors.

**References**


**Biographical Information**

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Silos and the Need for Collaboration and Communication: A Case Study of a Kepner-Tregoe Situation Appraisal

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GPCI Competency 02: Knowledge of organizational development as it pertains to grant seeking

GPCI Competency 05: Knowledge of post-award grant management practices sufficient to inform effective grant design and development

GPCI Competency 06: Knowledge of nationally recognized standards of ethical practice by grant professionals

Abstract
In fall 2013, the Colorado Springs School District 11 (CSSD 11) Grants Office conducted a Kepner-Tregoe Situation Appraisal (SA) to determine the best steps to resolve issues resulting from lack of coordination and communication with other departments, particularly with the CSSD 11 Procurement Department. The results of the situation appraisal revealed that each department had different requirements to meet in order to be fiscally and programmatically compliant. Neither department understood these differences, nor did they understand why their approval processes were not acceptable for the other department. This resulted in inter-departmental conflict and detracted from effective grants management. This case study examines the issues that prompted the situation appraisal, the steps used in conducting the situation appraisal, and the actions that have been taken by both departments to create a
uniform grant and procurement process that meets the requirements of both departments and leads to optimal grants management. This case study is relevant to grant professionals in many fields who must collaborate with multiple departments and divisions to effectively carry out their work.

Introduction

Two different departments and two different chains of command, all within one school district—Colorado Springs School District 11 (CSSD 11)—led to breakdowns in communication, lack of ownership of errors, and processes and procedures that functioned independently from each other.

In today’s economy, public school districts are increasingly dependent on state and federal grants. Over the last five years, from 2009 to 2013, CSSD 11 has sought and obtained competitive grant funding in excess of $25 million annually. These grants often fund the purchase of equipment, curriculum materials and professional services. The CSSD 11 Grants Office is involved in handling grant funding and grant management processes in the school district. This office works very closely with the CSSD 11 Procurement Department when grant funds are used for purchases.

Over time, these departments became so focused on their respective ways to complete their jobs that they did not take into consideration their impact on the other department. It became evident that the two departments, which were accountable to two different chains of command and supported by separate funding sources, needed to collaborate. By doing so, they would be able to maximize grant funding, which would directly impact CSSD 11’s ability to obtain grants to provide students the best education possible. The processes for grant oversight and management, purchasing, monitoring, accountability, verification, invoicing, and reporting were very different within each department.

The need for understanding these critical compliance requirements for both fiscal and programmatic processes became the focus of a situation appraisal conducted by the grants office.

Conditions Prior to Situation Appraisal

The grants office and the procurement department have been located across the hall from each other; however, by fall 2013, decisions were often made by both departments in isolation. For the grants office, silo decision making often began during proposal development and continued through grant award and implementation.

Grants office employees found it much easier to fall into one of the pitfalls of decision-making rather than risk confrontation. By this time
the “problem” would appear to be too large to tackle. These pitfalls included the following common situations (TregoED, 2013):

- Acting without adequate understanding. Often individuals place importance on acting quickly rather than effectively.
- Embracing the “silver bullet.” Becoming prematurely “alternative” driven is a common and failure-prone strategy when stakes and pressure are high.
- Ineffectively using information. If decision-makers use incomplete or inaccurate information, conclusions will inevitably be faulty.
- Failing to clarify upfront the situation requirements and priorities. Individuals often make decisions without adequately understanding a situation and its stakeholders—and without securing agreement on what a solution needs to accomplish.
- Insufficiently considering risk. A proposed solution is so attractive that one overlooks its risks.

The following are examples of differing processes that gave rise to conflict in CSSD 11.

- A grant proposal is written with a specific consultant referenced. Once funded, procurement regulations often require a competitive bid process that may or may not result in that specific consultant’s being selected.

- A grant proposal is approved and now the procurement department is requested to purchase the technology specified in the grant. However, the district’s information technology (IT) department no longer supports the specified technology or is not staffed to support the technology.

- Before the procurement department can purchase an item for a specific school, it requires the school principal, as the “responsible agent” for oversight and budget for that site, to approve the purchase. However, from a grants perspective, project directors are often on record as the point of contact with funders and, therefore, they are required to approve purchases in the grants office. In most cases the funder holds the project director accountable for the implementation and reporting requirements of the funded project.

- Procurement regulations, monitored by the district’s board of education, dictate that specific purchases must be run through a process of competitive selection. Yet, the grants office worked under the assumption that if purchases were specifically referenced in the
Finally, the time between funding notification and start-up is often very short. The need to quickly select consultants, purchase equipment or schedule trainings is often critical. However, procurement competition thresholds and timelines often created conflict. Conflict often led to poor decision-making. Knowing that the current situation had to change, the director of grants led the grants office through a Kepner-Tregoe Situation Appraisal in October 2013.

Situation Appraisal: Stage One

The Situation Appraisal Process (SA) developed by Kepner-Tregoe is an analytical tool for evaluating problems and determining how to resolve them by showing a person where to begin, how to recognize situations that require action, how to break apart redundant and confusing issues, how to set priorities, and how to manage a number of simultaneous activities efficiently (Fajar, Rahman, & Sunitiyoso, 2013). The SA also removes much of the emotion clouding a situation.

The grants office began by looking at the issues. The team then clarified what was meant when the issue was identified. It was during this phase that the team members realized that they were joint owners of the conflict that had been created. Were the needs of the grants office surrounding contracts, purchases, and invoiced documents clearly communicated to its internal customers, including the procurement department? Were these processes even consistent among team members? The collective response to these questions was “no.”

Clarifying the issues reframed the situation and the underlying problem became more evident. Complex issues are often made up of several sub-issues. For example, one of the issues was “documentation,” but what was it about documentation that was an issue? This step in the SA allows the team to understand the issue and what sub-issues make up the larger issue. The team broke down “documentation” into multiple items which then made the issue less overwhelming.

Once all team members had a chance to provide input and share their perspectives, the issues were clarified and then prioritized. All issues may be worthy, but frequently it is impossible to address them at the same time. The step of “assessing priorities” asks the team to rate as high, medium or low the priorities of seriousness, urgency and growth. Seriousness looks at the gravity of the priority and how the issue will affect others. Urgency reflects how time-sensitive the priority might be. Growth is determined by the potential for significant positive or negative trends to occur. The group’s consensus determines these ratings.

Through the SA process, the team identified that the internal lack of consistency influenced the respect (or lack thereof) that they received...
from other departments, in particular from the procurement department. The conclusion led to the final step of the SA: “Name Next Steps.” This step requires teams to ask questions such as “what choices do we have to make?” and to establish clear roles, accountabilities, and timelines. Too often teams identify problems but fail to address the steps that need to be taken to mitigate those problems. Without taking the time to determine next steps, the attention stays focused on the issues instead of determining how the team may be able to alleviate those issues. All members of the grants office team volunteered to use the work from the SA to refine their internal office processes. The actual SA from this stage of the process is depicted in Table 1.

**Table 1: CSSD 11 Kepner-Tregoe Situation Appraisal**

<table>
<thead>
<tr>
<th>What issues/concerns need to be considered when developing a procurement process for the CSSD 11 Grants Office?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>See the Issues</strong></td>
</tr>
<tr>
<td>1. What seems to be important about this situation?</td>
</tr>
<tr>
<td>2. What threats and opportunities do we face?</td>
</tr>
<tr>
<td>3. What bothers us about this situation?</td>
</tr>
<tr>
<td>There are inconsistent documentation processes.</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>No one is sure about appropriate signoffs in the grants office.</td>
</tr>
</tbody>
</table>

(continued on the next page)
There are multiple requirements for grant compliance and these are not communicated well.

Are we compliant from the grant language standpoint?

Are we being fiscally compliant? Includes communicating proper account and ensuring funds are available.

Invoice process seems to change and sometimes occurs outside the grants office.

Invoice process must come through the grants office before being processed by the procurement department.

Who from the grants office is required to sign off?

Who is our contact person within the procurement department?

Need an updated list to be distributed when changes are made.

Grants office has inconsistent processes.

Develop consistent process for email approvals.

Procurement department has inconsistent processes.

Beyond our control to impact.

<table>
<thead>
<tr>
<th>Table 1: CSSD 11 Kepner-Tregoe Situation Appraisal (continued)</th>
</tr>
</thead>
<tbody>
<tr>
<td>There are multiple requirements for grant compliance and these are not communicated well.</td>
</tr>
<tr>
<td>Are we being fiscally compliant? Includes communicating proper account and ensuring funds are available.</td>
</tr>
<tr>
<td>H/H/H</td>
</tr>
<tr>
<td>Invoice process seems to change and sometimes occurs outside the grants office.</td>
</tr>
<tr>
<td>Who from the grants office is required to sign off?</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Who is our contact person within the procurement department?</td>
</tr>
<tr>
<td>Request updated list from procurement department. Clarify how updates to list will be communicated.</td>
</tr>
<tr>
<td>Grants office has inconsistent processes.</td>
</tr>
<tr>
<td>By 10/28, CD will provide a template for seeking email approvals.</td>
</tr>
<tr>
<td>Procurement department has inconsistent processes.</td>
</tr>
<tr>
<td>Assessment being conducted by procurement department.</td>
</tr>
<tr>
<td>Next steps being determined by procurement department.</td>
</tr>
</tbody>
</table>

**Situation Appraisal: Stage Two**

After the initial stage was completed, a joint grants office/procurement department meeting was held in November 2013 during which the members of the grants office shared the Situation Appraisal process that they had conducted. Instead of creating a situation where fingers were
pointed at the other department, the meeting instead opened the door for both teams to understand the needs and expectations of the other. The grants office team presented its work and the procurement department team provided feedback which resulted in further clarification of the process and a higher level of understanding from all in attendance.

Outcomes
The joint session between the grants office and the procurement department resulted in outcomes in several key areas.

Purchasing Phase
Since the SA, the grants office has created a process to share a copy of the grant narrative and budget with the procurement department once a project is funded. This allows the procurement department to start the procurement planning process, regardless of the type of funding. This helps the department to clarify timelines and fiscal years, as well as gain a better understanding of project requirements. As a result, the department is able to better write a solicitation and inform the project directors of other approvals needed in the procurement process, such as from the superintendent, board, IT or facilities departments, or principal.

Example
Grant funds are designated to purchase a new STEM curriculum for a middle school lab that will be used as an exploratory class. The curriculum is online and is provided by the company specified in the proposal. Before anything can be contracted, this technology must be approved by the IT department, the curriculum content facilitator, the board of education (Policy IJJ), (CSSD 11, 2007), and the facilities department to ensure the data and electrical loads are in compliance with the site’s load capacity. Prior to the SA, the grants office did not partner with the procurement department to document the proper approvals, nor did it fully understand the ramifications of missing approvals.

In addition, several state and federal grants require audit reviews. The procurement department followed federal acquisition regulation requirements that must be included in any acquisition with federal funding. These include compliance with competition requirements and thresholds (Porter, 2010, pp. B-84) and verification prior to contract award that a vendor is not on the Excluded Parties List System (EPLS) (GSA, 2005). While the grants office was following best practices regarding fiscal compliance, it often used the federal award letter as validation that the requested purchase was acceptable according to federal standards. The grants office team now understands that all purchases within CSSD 11 fall under federal and district competition requirements.
The grants office learned that the procurement department’s writing of the requirements document for the solicitation is critical to meeting accountability requirements in any resulting contract. For grant projects that require commodity type purchases (i.e., computers, furniture, or exercise equipment), writing a solid requirements document relies heavily on the salient characteristics of the commodity. For those grant projects that require a service, professional or otherwise, writing the requirement document relies on the grant itself.

**Example**

Instead of including a section on a specific external evaluator, the narrative of a grant proposal now includes language such as, “An external evaluator, such as Jane Doe (biosketch attached), will be used to assess the student achievement outcomes of the newly implemented on-line math curriculum. The evaluator will be selected through a competitive bidding process but will at a minimum hold a Master’s degree in Curriculum and Instruction, be an established business for at least the last five years, performed similar type evaluation reports in the K-12 environment within the last three years, and can provide sample reports for viewing as part of the solicitation response.”

The grants office achieved a better understanding of CSSD 11 board policy requiring a competitive selection process. Board Policy DJ (CSSD 11, 2013) and the District Acquisition Regulation, Part 4 (Simplified Purchase Procedures) (CSSD 11, 2012) establish the following competition thresholds:

- “Professional services and independent consultants will be competed above $50,000” (total contract value). Professional services, as defined in the Colorado Revised Statute 24-30-1402, (CSSD 11, 2012) include “…architecture, engineering, land surveying, landscape architecture, environmental, legal, medical, accounting, auditing…” and other highly technical professional services.

- “All supplies, services, equipment, hardware and software, software license, installation and maintenance purchases above $25,000.”

The grants office learned that even if a funder approves spending more than $25,000 for specific services, board policy still requires a competitive selection process.

**Solicitation Phase**

By including the grants office staff in the procurement department’s evaluation process, along with the project director assigned to the grant, everyone gained insight into the procurement process (issuing a solicitation, communicating with vendors, and evaluating proposals) and had an opportunity to share information.
Example

In a recent source selection, grant requirements included very specific reporting outcomes and measures that the director of grants needed to include in the funder report. Because the director of grants is now present during procurement evaluations and negotiations, she identified that the report was omitted in the solicitation requirement document. Resolving this during the pre-contract phase of the process is much better than after the contract award, or even after performance has already started.

Another benefit to having the grants office staff present in source selection is to assure or remind the project team of what can and cannot be purchased with grant funds. The project director is able to make important scope decisions in “real time” and the resulting contract can begin to be filled in with those details which previously were often not included or not known.

Contract Award/Oversight/Accountability/Payment Phases

In the past, many conflicts between the grants office and the procurement department arose during the final phase of the procurement process. From a grant compliance perspective, it is important that the grants office monitor the issuing of contracts, purchase orders, and invoices for payment. The process implemented as a result of the SA now keeps all parties informed throughout this phase.

Example

A purchase order (PO) is issued for grant-funded professional development that takes place over the course of the school year. Invoices are submitted at the end of each academic quarter. Before being executed by the procurement department, the grants office must now sign off that the PO is programmatically and fiscally compliant. Should an invoice be submitted to the procurement department, it is now rerouted to the grants office to ensure that the services provided are delivered according to the scope of the grant and that funds are in the appropriate line item to pay the invoice. This process also now requires the project director’s approval that the services met the grant requirements.

The collaborative efforts of the grants office and procurement department have resulted in a number of other positive outcomes. Early in the development of a grant proposal, the project team is encouraged to seek input from the IT, procurement, facilities, and instruction and support services departments. This information is then taken into consideration in timeline development, budget requirements, and staffing needs. When proposals are funded, the director of grants holds a kick-off meeting for all projects, regardless of whether the project director is new
or seasoned. As a result of the SA process, the procurement department is now included in this meeting, which enables a common message to be communicated to the project team and for staff in both departments to be on the same page regarding the grant and procurement requirements.

**Conclusion**

A Kepner-Tregoe Situation Appraisal (SA) helps teams identify, understand and prioritize issues, and work collaboratively to create solutions (Richetti, 2001). In CSSD 11, the grants office realized that change was needed and a better understanding of the issues was critical. As a result of the SA carried out in October 2013, collaboration and collegiality is improving between the grants office and the procurement department and project directors are benefitting from the improved relationship. In a joint team meeting held one month after the SA, the two departments determined that one of the next steps should be a project director training hosted by the grants office, and including other stakeholders—such as the procurement department—as equal partners. The procurement department will be an important team member in this process, as this training is designed to improve customer service for project directors, reduce the opportunities for errors within both departments, and thereby reduce the chance of an audit finding. This increased compliance will positively impact the reputation of CSSD 11 as it seeks additional grant funding.

**References**


Silos and the Need for Collaboration and Communication: A Case Study of a Kepner-Tregoe Situation Appraisal


Biographical Information

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Revisiting the Logic Model

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Hood College, Frederick, MD

GPCI Competency 03: Knowledge of strategies for effective program and project design and development

GPCI Competency 04: Knowledge of how to craft, construct, and submit an effective grant application

GPCI Competency 08: Knowledge of methods and strategies that cultivate and maintain relationships between fund-seeking and recipient organizations and funders

Abstract

“Show us what you can do!” cry individual donors and funders. This article introduces a modified version of the traditional logic model that does just that—focuses on results. Called the Program Planning Model, this version has a twist: it includes an evaluation section. This article describes the development of this one-page model and its testing in training and staff development sessions. While learning to use this model, program staff, grant specialists and other stakeholders report stronger understanding of, and ability to show, how program elements are connected and will produce results. Grant specialists comment that once they complete the model’s template, writing grant proposals is much easier and faster. In addition, the model serves as a kind of map, showing the “connective tissue” between program actions and successful outcomes, while also identifying relevant data collection tools. Finally, the model can address the needs of donors and stakeholders by supplying information that helps steward precious resources towards programs that work, with clear and demonstrated results.
Introduction

In this era of increasing competition and scarce resources, funder confidence grows when nonprofit organizations can demonstrate effective stewardship of resources and a process that results in desired outcomes (Blanchard & Bullock, 2010). Nonprofit organizations have for years attempted to use the logic model to illustrate the conditions under which they will produce expected results. Although many have struggled with the logic model in its “traditional” form, it is important to retain the positive aspects of that model, while rethinking elements that address the information and decision-making needs of internal and external stakeholders.

The logic model was first introduced in the 1970s. It was designed to frame nonprofit professionals’ thinking in such a way as to reveal, to internal and external stakeholders, the underlying assumptions about a program: what resources it uses, what it does with the resources, and what results will be produced.

By the late 1990s, many funders, community foundations and United Way organizations across the country required completion of the model as part of the grant application process. Funders hoped that a program’s underlying rationale and results could be better understood through a quick at-a-glance model with a standard structure. Providing structure and information about results is also important, as “credible outcome data also provide a decision-making focus for funders and donors, who must determine whether to continue or discontinue community, state, or federal funding allocations to grant programs” (Burkett, 2013, p. 85).

Promise Versus Reality

Some grant and development professionals liked the structure the model provided—it helped organize their thinking about a program, and identify program elements that would be measured. Yet many users—granting agencies and nonprofits alike—struggled. The terminology was confusing; the difference between activities, outputs, and outcomes was muddy. Proposal readers noted that the information written in the logic model’s columns was poorly connected within the framework. A United Way observer commented that it appeared that nonprofit organizations were moving the program narrative around to “fit the columns” (P. Leo, personal communication, June 2, 2014). And a professional who trained hundreds of nonprofit staff on the logic model said, “People felt frustrated that the model appeared linear and could not accurately portray their programs” (R. Berent, personal communication, June 2, 2014). For grant professionals, precious time writing proposals was consumed by completing the logic model as they flipped from one page of application instructions to another, trying to capture previously unarticulated program elements for which funding was sought.
Funders, too, became frustrated by time spent reviewing sloppy logic models that did not make much sense. Models appeared haphazard, put together out of sheer compliance; it was unclear just what accounted for achievement of outcomes, not to mention the confusion over how outcomes were being measured. Upstate New York funders, including the local community foundation, acknowledged that they were not receiving useful program models to review. Clearly, completion of the model as an aid to understanding was a challenge for everyone. By 2005, the utility of the logic model was showing signs of fatigue. Furthermore, increased competition and decreased revenues for nonprofit organizations continued to limit the resources available to support training in understanding and use of the logic model.

**Measurement Challenges**

Many individuals lacked understanding about where program data, and relevant outcomes, should come from. Discussions and comments at the local, state, and federal levels, and remarks by funding groups, identified a noticeable gap in proper understanding and usage of relevant goals and attendant measurement tools for their programs. For example, at a health-related exhibition at a public venue, one booth posted a goal that 95% of children would show reduced rates of obesity. However, no source or context was provided to show how this impressively high success rate was determined. In another example, United Way of America published in 1996 *Measuring Program Outcomes*, a comprehensive manual used in training that included details about the logic model. The manual has not been available for nearly 10 years, due to changes in the United Way movement and declining use, coupled with the availability of internet resources.

**Developing the Program Planning Model**

In October 2005, two nonprofit trainers in Rochester, New York, sat at a kitchen table, pondering a better way to teach the logic model to nonprofit professionals, particularly those writing grant proposals. While grant professionals often appeared eager to hone their skills, they also expressed frustration with the traditional logic model and its columns for inputs, activities, outputs, and outcomes. In order to conduct effective training and help people understand how to complete the model, the trainers explored whether it would be possible to teach “getting to outcomes” and the use of realistic tools by which to measure them, by modifying the model to include basic evaluation concepts.

Later that month, the trainers developed a modified version of the model. The goal was to help make the model more useful and, in a sense, “accessible” to people who managed programs or were grant or development professionals. Called the Program Planning Model, the
modified model introduced a five-part evaluation section, along with columns for inputs, activities, and outcomes (Figure 1).
The trainers tested the new model at a grant seekers’ training workshop in April 2006. Post-workshop questionnaires and subsequent feedback from grant professionals and staff indicated their strong appreciation and satisfaction with the model. With education and coaching, participants learned how to connect program components with indicators of success, and to develop measureable objectives that provided evidence for outcomes. Trainers also challenged participants to tightly define the program’s purpose. Learners reported that the discipline of doing so, a deceptively simple task, was enormously helpful in their thinking about—and articulating for others’ benefit—program components and outcomes.

Subsequently, the trainers added to the model several new dimensions related to measurement and accountability: “Methods or Tools” stimulated learners to identify the means by which objectives would be measured. The “Who” column directed users to identify individuals responsible for carrying out evaluative actions, factors mentioned by others (Blanchard & Bullock, 2010) that lend greater credibility to the evaluation process for funders. The “When” column challenged program staff to articulate appropriate time frames for when objectives are expected to be reached. Finally, the “Indicator” column served to capture information regarding changes that would be measured at meaningful intervals before the end of the grant cycle (i.e., during the program’s process). Broadly, learners gained insight that the information captured by the Program Planning Model—which was previously spread out and scattered in the organization—could now be quickly found and used in a variety of ways, including in donor communications, Board education, and grant reporting, as well as for internal management purposes.

Introducing the Model: Challenges

Of course, the trainers encountered challenges during training and testing of the model. Program staff and grant professionals struggled with the nuanced concept of indicators, which some saw as “outputs” in the logic model. And distinguishing activities from outcomes was sometimes a problem. The trainers employed tools such as metaphors to increase participant understanding of unfamiliar evaluation concepts (Patton, 2002). Using the metaphor of “taking a long trip” helped participants see indicators as relevant signs “en route” to achieving objectives. Learners responded well to the following example: “If you are driving to Florida from New York and you see a sign that says, ‘Chicago 80 miles’, you know you must change course to achieve your objective.”

Such clarification about indicators also served as a management tool to help monitor a program’s operation. Explaining indicators as “signs along the way” reflects the concept of a program’s process, which seemed to be missing from many nonprofits’ interpretation of the logic
model. Program process monitoring yields critical information about aspects of program performance such as the delivery system (Rossi, Lipsey & Freeman, 2004). Incorporating process and indicator concepts stimulated learners to more clearly articulate the “connecting links” in their programs and to develop indicators of program process that could be monitored and lead to objectives.

The model also reflected a shift that grant professionals have observed in management and reporting in recent years (Shontz, 2010). As Edington has explained, “nonprofits have long discussed the outputs of their work—number of people served, number of services provided, etc. However, charities are increasingly being asked to articulate and track the outcomes they are achieving. How are people’s lives changing because of the work a nonprofit does?” (2013, p. 47). This change is reflected in the Program Planning Model’s omission of the use of “Outputs.” Consider, for example, participation in workshops. A plan to “conduct workshops for 40 people twice a month” captures “attendance” or level-of-participation data. Workshops are considered activities rather than outcomes, since participation per se is not usually the program goal. The shift in organizational thinking and focus is from “number of participants” to “what changed in peoples' lives.”

The training curriculum for grant writing and development professionals was modified for subsequent workshops in 2006 and 2007, to include more specific examples. Learners were carefully guided through the model, using program examples in everyday language to improve understanding. As shown on the model, learners are asked to limit stated objectives to only one or two, in order to keep the process manageable and practical. Trainers also remind learners that objectives should closely align with program purpose, itself an outgrowth of the organizational mission.

**Practical Matters: Use and Training with the Program Planning Model**

The very process of creating the Program Planning Model or similar logic model has broader benefits apart from the specific program it highlights. As stated in the respected W.K. Kellogg Foundation *Evaluation Handbook*, “the clarity of thinking that occurs from the process of building the model becomes an important part of the overall success of the program” (2006, p. 36). Embedding training and adopting a team approach into the routine of organizational activity can promote an open organizational atmosphere which yields better proposals (Blanchard & Bullock, 2010). Establishing a “curious and inquiring” culture attracts like-minded stakeholders—and can boost their level of understanding and support.

However, the time to engage in training is not on the eve of a funding proposal deadline. More helpful is to adopt a “pre-proposal” process that prepares the organization for readiness mode. Expanding on the ideas of
creating mini-deadlines, advance planning, and teamwork (Mann, 2013), and developing the model apart from proposal deadlines enhances the flow of productive conversations and yields ready articulation of the program and its outcomes (Blanchard & Bullock, 2010). This reduces organizational stress and increases efficiency.

With the Program Planning Model, learners find it very helpful to have written definitions placed at the head of each column on the model. They make frequent “repeat visits” to the definitions to become fully conversant with their meaning, and to stay on track. While encouraged to begin “with the end in mind,” learners enjoy tinkering with program elements in any order that makes the most sense to them.

Working on the model with colleagues is also enormously beneficial. Again and again, staff commented that they previously had no time dedicated to coming together to share ideas about key program elements, indicators of success, or realistic outcomes. Providing such opportunities for grant professionals and other staff to fine-tune programs and clarify results for stakeholders often stimulates excitement and energy in the organization. Use of the Program Planning Model “gave [groups] a place to start, a strategy to use...encouraged them to wrestle with concepts and increased the energy and ownership,” reported a community funder. “Grantees feel the process is less intimidating and less scary” (L. Swanson, personal communication. March 1, 2013).

Finally, it is worth noting that training with an outcomes- and evaluation-oriented model requires a respectful and nonjudgmental approach. Staff in nonprofit organizations may express a sense of fear and intimidation when engaging in efforts that “shine light” on program processes and results. Yet as with most learning, using a positive, strengths-based approach not only reduces feelings of pressure, it promotes open-minded thinking about what is happening and does lead to program outcomes. One participant said, “The Planning Model is especially helpful because it provides a framework I can take back to my organization.” Another wrote, “completing the plan was a good exercise to see what is in place and working well. Evaluation keeps you on track and provides credibility you can show to others for gaining support.”

Continued Learning

Over the years, the Program Planning Model has been tweaked in response to user feedback about what enhances understanding. Two other tools have been added from teaching and coaching with the model. First, in 2010 a stand-alone Glossary was added, which expanded on the terms used in the columns. Recently added to the Glossary is a written distinction outlining the difference between activities and outcomes. Learners enjoy discussing and teasing out these differences.

In addition, a separate training module was developed in 2012 dedicated solely to measurement tools and their ethical use, ideally
to be taught in concert with the Program Planning Model. This new offering supports learners who, looking at the evaluation section of the model, seek guidance on how to develop Objectives, Methods or Tools. Participants, exposed to many creative ways to collect data, are pleased to realize that conducting a survey is not the only measurement tool at their disposal. Grant and nonprofit professionals become energized as they consider the options—relevant to their settings—for capturing information using appropriate data collection tools.

**Conclusion**

The ability of nonprofit organizations to articulate the results of their work is clearly an asset in the competitive grant-seeking world. The Program Planning Model, with its comprehensive evaluation section, serves as a conceptual framework for showing relevant program elements that are expected to produce results. Developing, testing and use of the model over the last eight years has demonstrated that nonprofit personnel find that working through the ideas and applying them to programs is much less difficult and more rewarding than they had imagined. After training with the model, organizations report increased excitement and understanding as they articulate program strengths in the form of outcomes. Finally, the Program Planning Model supplies useful information for nonprofit organizations and donors in an accessible, succinct way, providing needed focus for decision making, and saving time and resources in the long run.

**References**


Biographical Information

Edie Steele, PhD has conducted training in the Program Planning Model, and in data collection, evaluation, and measurement for funding and nonprofit organizations in the Northeast. Coming from a higher education perspective, she developed an interest in evaluation in her PhD program at the College of William and Mary. Her dissertation, completed in 1999, was on Program Evaluation and focused on an in-depth analysis of an innovative college curriculum. In addition to conducting training, Dr. Steele engages in consulting and creation of evaluation and data collection plans in a myriad of programs and for grant proposals. She has taught college-level Program Evaluation. Edie’s expertise was shared in presentations at NASPA: Student Affairs Administrators in Higher Education annual conference, and at the American Evaluation Association international conference. Edie recently joined the Graduate School at Hood College in Frederick, MD. She can be contacted at steele@hood.edu.