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# Introduction to Grants Management

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There are six types of grants that require management. They are:

1. Capital grants that are generally for endowment, building, equipment, or construction.
2. General operating grants that are for the everyday operations of an organization.
3. Program/project grants that are for a specific activity or plan within an organization that are usually time limited.
4. Start-up grants that cover the costs of starting a new project or organization.
5. Technical assistance grants that support an organization's development or infrastructure needs.
6. Planning grants that support the planning stages of a future project.

What is grants management? It is a combination of a definition of a time frame and the activities that take place during that time frame. Grants management is the phase of the grantsmanship process that begins when an applicant signs an agreement with a grantor (funder) to accept a grant award and becomes a grantee.

Grant award offers can be made by letter or through a form or in an informal way. In some cases, grantors will notify applicants of a grant award via a telephone call or email message. This informal type of notification can be used by private funders such as foundations.

When a grant award is accepted, the implementation of the project begins on a specific date, and then the grantee has to manage the grant from both a programmatic and a financial standpoint until the final date of the grant award period.

The grants management process ends for a specific grant when it is closed out. This is typically when all grant funds have been spent and accounted for, and the end date of the grant award period has been reached. Projects can, however, continue beyond this end date, and often do with funding from additional grantors and/or organizations building the expenses into their annual budgets.

Typically, many grant awards will cover a 12-month period except in the case of continuation funding or multiyear grants. This means that the grants management process will also cover a 12-month period. Some grantors will allow grantees a 3-month period after the end date to submit their final programmatic and financial reports. Grantees who do not submit their final reports can lose the final payment of their grant award and may in fact jeopardize their chances of future funding from a grantor.

What types of activities does managing a grant include? Each grantor requires different activities during the grants management phase of a project; however, in general, the following are expected to be carried out by the grantee:

- Following all of the terms and conditions associated with the grant
- Fulfilling reporting requirements throughout the grant award period
- Making requests for changes to an award in a timely manner before the project end, if necessary
- Fulfilling financial reporting requirements
- Accounting for grant revenue and expenditures
- Submitting final reports in a timely manner
- Following closeout procedures as stipulated by the grantor
- Conducting the grants management process in an ethical manner

## Effective Grants Management

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It is critical that a grantee exercise effective grants management strategies for a variety of reasons. Most important is that a grantee can lose funding during the implementation process of a project if he or she is not effectively managing the grant.

Grantees need to fully understand the relationship that they are entering into when they sign the award agreement. In addition to this relationship with the grantor, grantees who accept grant awards are entering into a legal contract with them. In exchange for financial support (the grant award), grantees are promising that they will honor the intent of the project and implement it to the best of their ability as outlined in the proposal that was submitted. They will work towards achieving the objectives and goals as outlined, and they will conduct an evaluation to determine

whether they successfully did so. In addition, they will spend the award funds as delineated in the line items listed in the budget. If a grantee chooses not to work toward the objectives, evaluating their success and spending the money appropriately, it can be considered a breach of contract, and grantors can request that funds be returned or they can stop the funding at any point during the project implementation.

As already mentioned in regard to final report submission, the mismanagement of grants can have both immediate and long-term negative consequences for a grantee that include loss of funding from both current and would-be future grantors, damage to one's reputation, and in the most severe cases, criminal prosecution.

## Definition of Terms in This Book

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*Applicant* refers to a group or organization that submits a proposal or application and requests grant funding for a project.

*Grantee* refers to a group or organization that accepts a grant award from a funder.

*Grantor* and *funder* are used interchangeably in this book and refer to a federal or state agency or a foundation (private, family, and/or corporate) that reviews grant applications and selects projects to be funded.

*Monies* or *funds* are the dollars received by a grantee to implement the project.

*Matching funds* are financial contributions to a project made by the grantee and/or collaborative partners.

*In-kind contributions* are matching funds and are usually items or services that have a dollar value.

This book will cover the following areas related to grants management:

- How to build grants management into an initial grant proposal
- Negotiating a grant award and acceptance procedures
- Coordinating grants management tasks
- Audits and monitoring visits
- Evaluation
- Closeout procedures
- Grants management of federal grants
- Grants management of private funder grants
- Ethical issues related to grants management
- Problem solving

