

# Measuring Success in Grantmaking: Reporting, Data and Other Tools

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## Why Tracking Outcomes Matters

### Grantor's Perspective

1. Satisfy legal requirements
2. Track progress towards overarching goals
3. Evaluate program effectiveness
4. Staged grantmaking
5. Course-corrections
6. Ensure efficient allocation of resources
7. Accountability
8. Grantee selection



### Grantee's Perspective

1. Satisfy legal requirements
2. Satisfy contractual requirements
3. Evaluate program effectiveness
4. Demonstrate impact
5. Attract funding
6. Planning and forecasting

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## Legal Importance of Tracking and Measuring Outcomes

Form 990-PF reporting

Expenditure responsibility

Program-related investments

Proper use of charitable assets

Fiduciary duties | State charities law | IRS principles

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## Form 990-PF Reporting

### • Summary of Direct Charitable Activities (Part VIII-A)

- List four largest direct charitable activities.
- Include statistical information such as number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

### • Summary of Program-Related Investments (Part VIII-B)

- Describe the two largest program-related investments made by the foundation during the tax year
- Provide the total of all other program-related investments and list the individual investments or groups of investments included (attach a schedule, if necessary).



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### • Grants and Contributions Paid During the Year or Approved for Future Payment (Part XIV)

- Recipient name and address
- Foundation status of recipient
- Purpose of grant or contribution
- Amount
- If individual, relationship to any foundation manager or substantial contributor
- Expenditure responsibility statement

### • Distributable Amount (Part X)

- Recoveries of amounts treated as qualifying distributions

### • Qualifying Distributions (Part XI)

### • Undistributed Income (Part XII)

### • Information Regarding Transfers to and Transactions and Relationships With Noncharitable Exempt Organizations (Part XVI)

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## Expenditure Responsibility



Applicable to grants to organizations other than public charities described in sections 509(a)(1), (2) or (3) (other than non-functionally integrated Type III supporting organizations)



Generally requires that the private foundation:

- (1) undertake a pre-grant inquiry;
- (2) enter into a written grant agreement with the grantee;
- (3) obtain status reports at the end of the grantee's annual accounting period; and
- (4) report the grant to the IRS on Form 990-PF.



**Must include:**

- (i) The name and address of the grantee.
- (ii) The date and amount of the grant.
- (iii) The purpose of the grant.
- (iv) The amounts expended by the grantee (based upon the most recent report received from the grantee).
- (v) Whether the grantee has diverted any portion of the funds (or the income therefrom in the case of an endowment grant) from the purpose of the grant (to the knowledge of the grantor).
- (vi) The dates of any reports received from the grantee.
- (vii) The date and results of any verification of the grantee's reports undertaken by the grantor or by others at the direction of the grantor.



**Additional recordkeeping required (to be made available to IRS upon demand)**

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## Sample Expenditure Responsibility Report

Template Grant Recipient Report Form	_____ Foundation, Inc. Annual Report of [Grantee Organization] 20__																								
This report summarizes grant activities as of the end of the [Grantee Organization's] fiscal year (_____, 20__).																									
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="font-size: small;">Grantee Name and Address</th> <th style="font-size: small;">Original Grant Total</th> <th style="font-size: small;">Grant Dates</th> </tr> </thead> <tbody> <tr> <td style="height: 20px;"> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Grantee Name and Address	Original Grant Total	Grant Dates				<p><b>3. Amount of grant funds unspent as of the end of Grantee's most recent fiscal year [Insert Date of FYE] (This Annual Report shall constitute Grantee's Final Report if all grant funds have been spent)</b></p> <p>None.                      -OR-                      \$ _____.</p> <p><b>4. Grantee asserts that it has made all expenditures in furtherance of the stated purpose of the grant.</b></p> <p><b>5. Grantee asserts that it has complied with all of the terms and conditions of the grant.</b></p> <p>I declare that I am authorized to sign this report on behalf of the above organization, that I have examined the foregoing statements and to the best of my knowledge they are true, correct and complete.</p> <p>BY: _____</p> <p>TITLE: _____</p> <p>DATE: _____</p>																		
Grantee Name and Address	Original Grant Total	Grant Dates																							
<p><b>Grant Purpose:</b></p> <p>1. Progress made in accomplishing the above grant purpose (please attach additional pages if more space is needed):</p> <p>2. Itemization of expenditures made from grant funds, including salaries, travel and supplies:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="font-size: small;">Expenditure</th> <th style="font-size: small;">Amount</th> </tr> </thead> <tbody> <tr><td style="font-size: small;">Salary/Personnel</td><td> </td></tr> <tr><td style="font-size: small;">Consultants</td><td> </td></tr> <tr><td style="font-size: small;">Legal Fees</td><td> </td></tr> <tr><td style="font-size: small;">Accounting Fees</td><td> </td></tr> <tr><td style="font-size: small;">Travel, conferences and meetings</td><td> </td></tr> <tr><td style="font-size: small;">Rent</td><td> </td></tr> <tr><td style="font-size: small;">Utilities</td><td> </td></tr> <tr><td style="font-size: small;">Supplies</td><td> </td></tr> <tr><td style="font-size: small;">[Other Expense - Describe]</td><td> </td></tr> <tr><td style="font-size: small;">[Other Expense - Describe]</td><td> </td></tr> <tr><td style="font-size: small;">[Other Expense - Describe]</td><td> </td></tr> </tbody> </table>		Expenditure	Amount	Salary/Personnel		Consultants		Legal Fees		Accounting Fees		Travel, conferences and meetings		Rent		Utilities		Supplies		[Other Expense - Describe]		[Other Expense - Describe]		[Other Expense - Describe]	
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First appeared as part of the conference materials for the  
41<sup>st</sup> Annual Nonprofit Organizations Institute session

"MASTER CLASS: Measuring Success in Grantmaking: Reporting, Data and Other Tools"