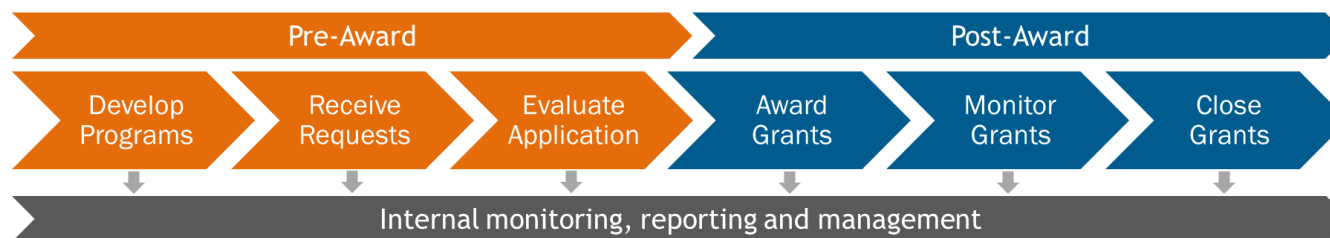# The Grants Management Cycle

According to the Best Practices in Grants Management (Appendix 4 of *Instructions for the Annual External Audits of the Open Society Foundations, Financial Year 2017*), the Grants Management Cycle consists of six main steps, which include:

1) Develop Programs
2) Receive Requests
3) Evaluate Applications
4) Award Grants
5) Monitor Grants
6) Close Grants.

According to industry standard, the first three steps in the cycle are known as pre-award. This is because these steps occur before any decision has been taken to 'award' funding to a third party. Steps four, five and six are therefore post-award, because a decision has been made to award funds and we are now tracking the expenditure of funds against its designated purpose.

Pre-Award

Develop Programs

The Grants Management Cycle begins when foundations develop Programs. Each Program has a specific mission, plan of action, criteria for inclusion of grants and proposed budgets. The budgets for each Program are developed by each Foundation and submitted to the Foundation's board for approval. For funds sought from Open Society Foundations, Foundations submit their bids using Adaptive Planning.

Business Process	Business Process Elements	Our expectations from GTS
Develop Program Memo	• Define program mission, plan of action, award criteria and proposed budget	• The central depository of Program strategies, actions plans, proposed and approved budgets, with search functionality.

Obtain Board of Directors' Approval	• Submit program memos to Board of Directors (or delegate) for approval.	• Keep the database of all decisions and recommendations of Main Board on Foundation strategies, with search functionality.
Notify Staff who oversee Foundation Operations	• Forward approved memo to staff who review accounting, legal and grants management issues related to Foundation operations. • Review of administrative requirements to create accounting codes and address cash flow. • Notify staff who deal with general enquiries.	• Keep the database of all Budget Allocations received from OSF.
Determine if an application is assessed against standard Program-Based Grant-making or as an exception.	• Solicit proposal from single recipient or restricted pool. • Receive unsolicited enquiry from candidate grantee. • Receive request to issue grant locally on behalf of OSF Program. • Assess enquiry for adherence to existing program. • Determine if existing standard Program-based Grant-making requirements apply. • Board (or delegate) approval for exception. • Issue letter of acceptance/decline.	
Consider Grants for Individuals	• Determine type of individual grant. Determine individual grant objectives and criteria. • Determine individual grant targets/scope. Identify and assess Selection Committee members. • Award Selection Committee honoraria. Select individual grant candidates. • Assess grants to individuals through organizations.	

Call and Receive

In this stage, Foundations may call for proposals or request from a known or unknown field of candidates. They may receive responses to their call or may receive unsolicited proposals or requests.

Foundations have a responsibility to the grant-seeking public of transparency about funding priorities, application guidelines, selection criteria, review and award process, and past awarded grants. The foundation should establish written guidelines for timely notification of applicants/grantees at each stage in the grant lifecycle.

Business Process	Business Process Elements	Our expectations from GTS
Draft call for proposal	• Drafting call for proposal	• Drafting call for proposal (i.e. preparing description of proposal in e-competition system) • Sharing the draft document between all interested parties for review before publishing
Publish call for proposal	• Launching call for proposal	• Launching call for proposal (i.e. publishing the proposal in e-competition system) • Keep the database of all calls for proposals with the possibility to publish them (or the link to the proposal that is stored in GTS) on the Foundation WEB site
Receive, register and store Proposal or Requests	• Automatic receipt acknowledgement of request • Sorting out and uploading of proposals on shared folder • Pre-review of proposals • Automatic decline letters sent for unsuccessful requests Document and record letters of inquiry or requests for funding for tracking.	• Automatic receipt acknowledgement of request • Sorting out and uploading of proposals on shared folder or repository • Pre-review of proposals • Automatic decline letters sent for unsuccessful requests Document and record letters of inquiry or requests for funding for tracking.
Screen Proposal or Request	• Conduct initial screening of letters of inquiry, requests for funding or solicited proposals for compliance	• Conduct initial screening of letters of inquiry, requests for funding or solicited proposals for compliance

Respond to Proposal or Request	• Respond to letters of inquiry or requests for funding (acknowledge, request further information, decline)	• Respond to letters of inquiry or requests for funding (acknowledge, request further information, decline) • Keep all communication with applicant with search functionality

Evaluate

In this stage, the proposal, request or application is evaluated against established criteria to determine if the applicant should be awarded a grant.

Business Process	Business Process Elements	Our expectations from GTS
Conduct Application Evaluation/ Pre-Grant Inquiry	• Evaluate applicant managerial competence, fiscal accountability, internal consistency, alignment with foundation's mission and legal restrictions. • Review applicant references, history. • Gather supporting documentation or information. • Confirm tax and charity status. • Check if a past recipient of funds. Check past compliance/ non-compliance. • Evaluate purpose of grant, plan of action.	• Evaluate applicant managerial competence, fiscal accountability, internal consistency, alignment with foundation's mission and legal restrictions. • Review applicant references, history. • Gather supporting documentation or information. • Confirm tax and charity status. • Check if a past recipient of funds. Check past compliance/ non-compliance. • Evaluate purpose of grant, plan of action. • The GTS should offer space for storing the results of pre-grant inquiry and evaluation of application. • Keep the history of all applicant submission (including those rejected).
Prepare Grant Docket	• Prepare docket of proposal for evaluation and recommendation for decision.	• Prepare docket of proposal for evaluation and recommendation for decision. • Keep all docket documents in a well-structured way with the possibility to search within the documents
Check the Conflict of Interests	• Check the existence of the Conflict of Interests for all affiliated persons.	• Check the existence of the Conflict of Interests for all affiliated persons in grant giving activities. • Check the existence of the Conflict of Interests in procurements • SDN-list / Do Not Fund list (checking for subject of terrorist organization/individuals)

Submit for approval	• Recording Board Comments • Reviewing Recommendations as per Board Comments	• Recording Board Comments • Reviewing Recommendations as per Board Comments • The central depository of Sub-Boards, National Board and Procurement Committee decisions (linked to grants and other activities, purchases and all grants modifications) with search functionality • Keep the copies of all board minutes with the possibility to search within the documents
Create Grant Docket	• Create grant records • Control access to grant records • Internally audit grant records • Retain & archive grant records • Record grant file metadata (date, location, format, creation date, archival date, disposal date, etc). • Opening the grant file • Preparing grant contract • Finalizing M&E Plan • Reviewing grant contract • Final review and signature of grant contract • Mailing grant contract • Activating grant	• Create grant records & control access to these records • Internally audit grant records • Retain & archive grant records • Record grant file metadata (date, location, format, creation date, archival date, disposal date, etc). • Opening the grant file • Preparing grant contract • Finalizing M&E Plan • Reviewing grant contract • Final review and signature of grant contract • Mailing grant contract • Activating grant

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Post-Award

Award Grants

Foundations define the funding for programs and projects based on the Foundation's Budgets. This includes OSF Funding Core Support, Network Foundation Programs, third party funding and in-kind contributions from donors.

Business Process	Business Process Elements	Our expectations from GTS
Activate Grant	• Decrease the Program Budget with the amount of activated grant (approved budget)	• Decrease the Program Budget with the amount of activated grant (approved budget) according to the funding source. • To avoid double manual entering, this data should be imported from SERENIC.
Issue Grant Letters	• Confirm grant information • Draft grant letter (using standard template) • Check for compliance (conflict of interest, selection requirements, countersigned, terms of award) • Define Installments and Reporting Schedule • Specify restrictions or prohibitions • Acknowledge support clauses • Confirm tax responsibilities • Specify terms and conditions (programmatic, financial and equipment requirements, site visits, reporting requirements) • Provide draft letter to authorized Foundation personnel for signature • Provide final grant letter to grantor and/or grantee party for signature • Receive countersigned grant letter from grantor/grantee.	• Confirm grant information • Draft grant letter (using standard template) • Check for compliance (conflict of interest, selection requirements, countersigned, terms of award) • Define Installments and Reporting Schedule • Specify restrictions or prohibitions • Acknowledge support clauses • Confirm tax responsibilities • Specify terms and conditions (programmatic, financial and equipment requirements, site visits, reporting requirements) • Provide draft letter to authorized Foundation personnel for signature • Provide final grant letter to grantor and/or grantee party for signature • Receive countersigned grant letter from grantor/grantee. • Define the detailed approved grant budget

Business Process	Business Process Elements	Our expectations from GTS
Issue Grant Payments	• Establish and record grant payment criteria • Check payment request for compliance with grant payment criteria (e.g. threshold amounts, holding of foreign cash amounts, payments on behalf of) • Make Payments ▪ Confirm grantee bank information ▪ Confirm payment with Programs and Raising first payment • Grant Review ▪ Midterm monitoring (desk review or field visit): PM, PROG, FIN, M&E • Subsequent Payments ▪ Successful Review of Interim Report/Upload on GTS ▪ Recommendation for payment ▪ Confirming banking details and raising PR ▪ Payment • Receive a payment request • Generate a payment request • Authorize a payment request (and record authorization)	• Establish and record grant payment criteria • Check payment request for compliance with grant payment criteria (e.g. threshold amounts, holding of foreign cash amounts, payments on behalf of) • Make Payments ▪ Confirm grantee bank information ▪ Confirm payment with Programs and Raising first payment • Grant Review ▪ Midterm monitoring (desk review or field visit): PM, PROG, FIN, M&E • Subsequent Payments ▪ Successful Review of Interim Report/Upload on GTS ▪ Recommendation for payment ▪ Confirming banking details and raising PR ▪ Payment • Receive a payment request • Generate a payment request • Authorize a payment request (and record authorization) • All data related to payments should be imported from SERENIC

Monitor Grants (Grants Management)

Foundations must monitor grantee progress during the grant period to evaluate the overall effectiveness of the project and ensure proper use of the foundation's funds. Through site visits, phone calls, e-mails and grantee reports, monitor the grantee's ability to achieve the goal of the grant. All written reports, whether final or interim, should be written on grantee letterhead and addressed to the grantor.

Business Process	Business Process Elements	Note
Grantee Reports	• Seek report from grantee (reminders) • Document reminders • Receive grantee reports • Check grantee report for compliance with requirements	• Seek report from grantee (reminders) • Document reminders • Receive grantee reports • Check grantee report for compliance with requirements • On-line reports submission functionality
Conduct revisions	• Review Grantee Reports • Conduct field visits	• Review Grantee Reports • Conduct field visits • Keep all reviews of grantees reports and field visits reports in searchable format.
Modify a Grant	• Change terms and conditions (total budget, payment schedule and amounts, terms and conditions, reporting schedule, grant period) • Cancel a Grant • Request return of funds • Notify Grants Manager of modifications • Notify Grantee of modifications	• Change terms and conditions (total budget, payment schedule and amounts, terms and conditions, reporting schedule, grant period) • Cancel a Grant • Request return of funds • Notify Grants Manager of modifications • Notify Grantee of modifications • All grants modifications should be linked to decisions database.

Close Grants

Business Process	Business Process Elements	Our expectations from GTS
Formal Closeout	• Evaluate grant for goal attainment, compliance with terms and conditions, statutory requirements, etc). • Desktop review or Field visit • Programmatic Closing (Final Assessment on GTS) • Financial closing • Final Grant Closing • Record actions required of Grantee (e.g. request additional or missing information or evidence) • Record restrictions (i.e. prohibition of further payments, addition to Do Not Fund list) • Record interactions with Grantee (e.g. request for additional information or evidence) • Provide Do Not Fund list to Director of OSF Grants Management	• Evaluate grant for goal achievement, compliance with terms and conditions, statutory requirements, etc). • Desktop review or Field visit • Programmatic Closing (Final Assessment on GTS) • Financial closing • Final Grant Closing • Record actions required of Grantee (e.g. request additional or missing information or evidence) • Record restrictions (i.e. prohibition of further payments, addition to Do Not Fund list) • Record interactions with Grantee (e.g. request for additional information or evidence) • Provide Do Not Fund list to Director of OSF Grants Management
Retain, archive & dispose of Grant File	• Determine record management policies (e.g. requirements for retention period, archival period, destruction dates) • Determine individual Grant File management information • Manage Grant Files	• Determine record management policies (e.g. requirements for retention period, archival period, destruction dates) • Determine individual Grant File management information • Manage Grant Files

Internal Monitoring, Reporting & Management

Business Process	Business Process Elements	Our expectations from GTS
Report Status	- Provide information on which stage a Grant is in the grants management process. - Track and analyze grantee compliance	- Track all grant cycle stages and provide information on which stage a Grant is in the grants management process. - Track and analyze grantee compliance. - Reports about different grants data (grants future installments, reports for provided annual report for FPOS sourcings)
Monitor Grants Portfolio	- Grants population (target) group - Number of direct beneficiaries - Types of grants (For example: from time to time we are requested to provide the information about the percentage or number of grants submitted in 20XX via : a) Open call for proposals/competition, b) Targeted call for proposals, c) Solicited proposals - Unsolicited proposals - Renewal - Other	Available Reports: - Grants population (target) group - Number of direct beneficiaries - Grants by Types (For example: from time to time we are requested to provide the information about the percentage or number of grants submitted in 20XX via : a) Open call for proposals/competition, b) Targeted call for proposals, c) Solicited proposals - Unsolicited proposals - Renewal - Other
Grant List	Generate a grant list, containing information about each grant to give the foundation a complete picture of their yearly activity.	- Generate a grant list, containing information about each grant to give the foundation a complete picture of their yearly activity. - Provide all reports requested by audit.
Third Party Funding	Track grants by Donor/Funding Source	- Provide reports on grants by funding sources - Provide reports on number of direct beneficiaries by funding sources.

Additional functionalities

Business Process	Business Process Elements	Our expectations from GTS
Multi-currency	• Multi-currency support (including reporting in different currencies)	• Multi-currency support (including reporting in different currencies).
Customization	• Optimal level of customization, in order to be adjusted to National Foundations' needs	• Easy way to add new Templates and Reports or to change existent ones by Foundation staff.
Operational projects management	• Elements similar to grant cycle: project, budget, decision, implementation	• Possibility to track the operational projects cycle • Reporting on operational projects implementations: activities and finance.
Program management	• Monitoring of Program budget • Monitoring of Program activities	• Various reports on Program Level (e.g. the current situation with Program budget; total number of grants/list of grants (travel, individuals, scholarships, to organizations, etc.) funded by specific Program in a period of time; the list of all grants awarded to a grantee etc.).