INCORPORATING DIVERSITY, EQUITY, AND INCLUSION IN YOUR GRANT-MAKING PROCESS:
A CHECKLIST OF POTENTIAL ACTIONS

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Please go to http://www.equityinphilanthropy.org/ for the most recent version of the checklist.
Please also refer to this *Stanford Social Innovation Review* article, "Eliminating Implicit Bias in Grantmaking Practice," that summarizes our work.

The checklist below is intended to provide some ideas on how to incorporate **diversity, equity, and inclusion (DEI)** in grant-making processes. We provide these recommendations as food for thought as you consider your grant-making processes. Please note that this checklist is a work in progress and will continue to evolve as we collect more feedback from the field.

We developed this checklist because we believe that traditional grant-making practice could do more to promote and embrace DEI. For instance, D5 Coalition found that less than 7 percent of grant dollars in 2013 were made towards ethnic or racial minorities, based on available data, while ethnic minorities comprise approximately 40 percent of the U.S. population. This and other discrepancies may suggest some implicit biases in traditional grant-making practice that need to be addressed further, or at the very least, may suggest the need to collect more DEI-related grant-making data. As such, we hope that this checklist will be one of many tools for grant makers to address these biases and make their philanthropy even more impactful and effective. Please note that this checklist is **not** intended to provide guidance on how to secure strategic buy-in or approval to implement these practices (which is a deeper conversation that the field is having), but rather this list is meant to recommend specific tactics to more deeply embed DEI into your practice, once you secure that buy-in.

We understand that many of the practices on this list, such as unrestricted funding, are simply good grant-making practice, regardless of the value for DEI. This is unsurprising, and simply affirms the idea that good grant-making naturally promotes DEI.

Defining Diversity, Equity, and Inclusion (DEI)

For the purposes of this checklist, we use the D5 Coalition's definition of DEI:

Diversity

The word "diversity" can mean different things to different people. We've defined it broadly to encompass the demographic mix of a specific collection of people, taking into account elements of human difference, but focusing particularly on:

- *Racial and ethnic groups: Asian Americans and Pacific Islanders, Hispanics/Latinos/Latinas, African Americans and blacks, and American Indians and Alaska Natives*
- *LGBT populations*
- *People with disabilities*
- *Women*

D5 uses this broad definition of diversity for three reasons. First, this is what diversity looks like in the 21st century. Second, our definition encompasses populations that historically have been—and remain — underrepresented in grant making and among practitioners in the field, and marginalized in the broader society. Third, to be a national leader, organized philanthropy must get in front of diversity, equity, and inclusion issues and do so in a comprehensive way. We acknowledge and respect that this is one of many ways to define diversity, a concept that can encompass many other human differences as well.

Equity

Improving equity is to promote justice, impartiality and fairness within the procedures, processes, and distribution of resources by institutions or systems. Tackling equity issues requires an understanding of the underlying or root causes of outcome disparities within our society.

Inclusion

Refers to the degree to which diverse individuals are able to participate fully in the decision making processes within an organization or group. While a truly "inclusive" group is necessarily diverse, a "diverse" group may or may not be "inclusive."

This document is not meant to provide a rationale for incorporating DEI into grant-making practice. We encourage others in the field to compile compelling grant-making case studies and success stories to that end. As funders adapt their practices to be more sensitive to DEI, we also encourage them to evaluate their results and compare the impact of their grant making relative to the impact prior to these adaptations.

Sources

We gathered these ideas based on Arabella's own experiences with grant making, as well as through research posted on the D5 Coalition website and feedback from several grant makers and others in the field (including the Bay Area Justice Funders Network's Choir Book: A Framework for Social Justice Philanthropy, and this Nonprofit with Balls blog post on inequity in philanthropy). This checklist is a living document, so if you have additional recommendations on how we can improve or add on to this list, please email us at nancy.chan@arabellaadvisors.com or pamela.fischer@arabellaadvisors.com.

How to Read the Checklist

We have categorized the recommendations based on the type of grant-making activity. Each category is bolded and shaded in blue below. If either/both of the columns on the right, *Affect budget?* and *Affect timeline?*, have a check mark, this indicates that there is a strong likelihood that the action may affect the budget and/or the timeline of the grant-making process.

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Checklist: Recommendations to Incorporate DEI in Grant-Making Practice

	Affect budget?	Affect timeline?
Grant Applicant Identification, Research, and Outreach		
☐ **Conduct more in-depth research to vet organizations before you invite them to apply**, so that the research burden falls on the grant maker and not the grantees/applicants	✔	✔
☐ **Poll community foundations and intermediary organizations working in the region of interest to learn about strong organizations working at the grassroots level.** Also check community lists of Black- and other minority-owned businesses. Think creatively about other ways to find out about nonprofits – talk to leaders in the communities of interest.	✔	
☐ **Ask grantees to recommend other organizations to invite to apply**		✔
☐ **Conduct outreach to a wide range of potential applicants and hold an open call for grant applications (or balance the number of applications received via an open call versus those from organizations who were invited).** Invitation-only processes may screen out more under-resourced organizations which may not have as good networks as more established organizations. We understand that an open call for applications may result in a great deal of work to review all the applications, so one solution would be to create a **short screening questionnaire** that interested applicants could fill out online, and you could then efficiently use the results of that questionnaire to determine whom to invite to submit a full application.	✔	✔
☐ **Invite fewer applicants:** By lowering the ratio of applicants who receive grants versus those who do not (e.g., at least 50 percent of applicants receive grants), you are increasing the chances of any one applicant to receive a grant.	**Lowers cost of labor!**	**Saves time!**
Grant Application Process / Request for Proposal (RFP)		
☐ **Consider a limited timeline from first contact with prospective grantees to when they receive an award (e.g., 3-6 months).** A shorter timeline (under 6 months) is particularly important for smaller[1] organizations since they have less financial buffer to weather any significant changes that may occur as they are waiting to hear about their applications. We received feedback from some funders that longer timelines can allow for deeper capacity building around the grant application process and to build relationships with grantees. However, we also heard from nonprofits that it can be frustrating to invest many months in building a relationship with a funder, but not to receive any funding in the end. If you opt to have a longer timeframe for grant making, you may consider monetary compensation for the time invested in the grant application process, regardless of whether you award a grant.		✔

[1] For the purposes of this checklist, we use the term "smaller organizations" as a proxy for organizations that have lower organizational capacity and consequently may face barriers to accessing philanthropic funding. While we cannot assume all organizations serving under-resourced communities are "small," we want to acknowledge that organizations serving those communities are often under-resourced themselves and might be "small" in terms of budget, number of staff, fund development capacity, and/or other aspects of organizational capacity. We encourage you to use/adapt this checklist in whatever way will be most effective to ensure that your funding strategies are equitable for under-served communities.

	Affect budget?	Affect timeline?
☐ **Consider eliminating the written grant application altogether,** and possibly replace the process with site visits and conversations with the applicant organizations. A few funders do in-depth background research and due diligence on potential grantees and then simply notify them that they are receiving a grant award, without them applying formally or being involved in the due diligence process.		✔
☐ **Give stipends to applicants who do not receive grants to compensate them for the time they spent on the application process** (e.g., $1,000 for a 10-hour process). Ask applicants how many hours they spent on the application. Better yet, provide funding for the applicants to work with their communities in a deep way to develop community-driven project proposals. NOTE: For open grant application processes, we realize that stipends may not be realistic, since the volume of applications is much higher.	✔	
☐ **Consider receiving applications and awarding grants on a rolling basis.** This can be critical for smaller organizations since they have greater budget sensitivities and therefore time-sensitive priorities.		
☐ **Create processes that are more flexible, nimble, timely, and responsive in awarding grants.** Consider awarding emergency / contingency grants that have a very simple process and short turnaround (e.g., 24 hours or a week). These grants can help keep smaller organizations afloat, as they have less financial buffer to shore them up against contingency situations. Related to this recommendation, consider giving your program officer a discretionary fund that they can award to grantees, without approval of other staff/board.		**Saves time!**
☐ **Allow applicants to submit proposals prepared for other funders or common applications**		
☐ **Allow applicants to first submit short LOIs (letters of interest) to express interest in applying for a grant, and use the LOIs as a screening mechanism to determine who to invite to fill out a full grant application.** The LOI process should NOT be cumbersome and not be a mini-application process. Consider using the LOI as the grant proposal itself — e.g., if the LOI is compelling, just conduct some additional research and consider making the grant award without a formal application. Instead of an LOI, we use a short online screening survey that we send to orgs who have expressed interest. It takes 15 minutes to complete. We ask them to provide a 3-sentence description of the proposed project they and provide basic info. We then download all the responses in a spreadsheet and quickly (2 hours) sort and identify orgs to invite to submit full grant applications.	✔	✔
☐ **Clarify and demystify the grant-making selection, process, and timeline.** Hold optional info sessions with grant applicants to answer their questions on the RFP process and to provide guidance to navigate the application process. Provide an overview to explain the grant-making process: What is the difference between an LOI and a grant application; an output and an outcome; or a goal and a strategy? What is a logic model? Provide examples. View your application process as a means to help build applicants' capacity to develop strong grant applications for future funders.	✔	
☐ **For applicant organizations which have staff with limited English proficiency, consider providing language and cultural translation** technical assistance with their grant applications. Also consider having at least one grant reviewer who is familiar with that culture / language.	✔	✔
☐ **Give smaller organizations additional time to submit their applications (e.g., two additional weeks)**		✔
☐ **Offer to review drafts of grant applications from smaller organizations** to provide feedback before the submission date	✔	✔
☐ **Collect feedback about number of hours to go through application process and other ways to improve it**, from applicants, via a question on the application itself, a separate email or a short online survey	✔	
☐ **RFP: Make grant application short and concise to minimize burden on applicants. Keep the application process under 10-15 hours.** If		**Saves**

		Affect budget?	Affect timeline?
	possible, streamline what information you need from applicants during the application process, and reserve other questions till after you have decided to award them the grants. Consider the size of the grants you are awarding and make sure that the burden on the grant applicant is commensurate (e.g., smaller grants should mean more simple, streamlined grant application processes). **Let applicants know the amount of time (e.g., 10–15 hours) it should take to complete the application**, to help them manage their time. Applicants may be so accustomed to spending 100+ hours to draft applications that they may automatically default into the assumption that the process will be long and time-consuming.		**time on the review process**
☐	**RFP: Make sure that questions are clear and not duplicative.** When you notice that applicant responses to multiple questions are similar, you may consider consolidating those questions. In other cases, you might be asking several questions in one question and there is not enough space for the applicant to submit an adequate response, especially if you have imposed character limits. In these cases, you should break up this question into separate smaller, discrete questions.		
☐	**RFP: Have a user-friendly online platform for organizations to submit their applications.**	✔	
☐	**RFP: Eliminate character/word limits for responses to application questions.** You could recommend a character/word limit as guidance, but allow the applicant flexibility in the amount of text they put in the application. This will save time since they will not have to trim responses to meet character limits. (We found that eliminating character limits saves applicants up to 50 percent of their time spent.) Instead of number of words/characters, offer guidance on the number of sentences.		
☐	**RFP: Minimize the number of required attachments (e.g., 5) for the application.** Instead, require most attachments after you have decided to fund an application. Instead of asking for some of the information, consider whether you can track it down yourself easily – e.g., GuideStar, the IRS Business Master File, or IRS Publication 78 are great sources for verifying grantee status. Also, be flexible in terms of templates/file formats for these attachments – try not to require applicants to submit using your templates / file formats		
☐	**RFP: Do not require applicants to translate their project budget into your budget format, OR provide a very simple, flexible budget template**		
☐	**RFP: Use lay language and avoid using technical jargon in application form**		
☐	**RFP: Allow grant applicants to make the case for the need for their proposed projects in their own terms,** since they may come from different cultural backgrounds and lack knowledge of "standard" supporting data such as Census and other public data sets. Educate and connect applicants to data so that they can build their case with other funders. For example, one good source of neighborhood-level data is through the National Neighborhood Indicators Partnership (NNIP). NNIP is an affiliation of data web portals across many different cities in the U.S., which help democratize access to community-level data for community-based organizations, to help inform their strategic planning and advocacy efforts. One such NNIP affiliate for Washington, DC is NeighborhoodInfoDC.org.		
☐	**RFP: Ask about how perspectives of beneficiaries (and the community) are included in program design and delivery**		
☐	**RFP: Ask about demographics of organization's beneficiaries, board members, and staff members**		
☐	**RFP: Ask about cultural competency of staff, where appropriate**		
☐	**RFP: Give applicants the option to provide a budget narrative so that they can explain any financial circumstances**		
☐	**RFP: Ask applicants how *they* currently measure success and what metrics they already collect,** which will help inform what metrics you		

		Affect budget?	Affect timeline?
	would consider collecting from grantees. This will help align your data collection with their existing data collection.		
☐	**RFP: Give applicants the option to submit a short video** (low-quality, shot on their phone cameras) to complement their written application materials, since some may be able to tell a more compelling story with video/pictures. This should be optional, not an additional burden		
☐	**RFP: If an organization has received strong third-party ratings (e.g., Charity Navigator), consider exempting them from submitting some of their documentation.**		**Saves time!**
Due Diligence and Grant Decision Making (DD)			
☐	**Use a "peer-review grant making" process** (e.g., advisory board and grantees vote on applications; or applicants vote on anonymized applications)	✔	✔
☐	As you are making decisions about grants to award, **consider what your overall portfolio looks like and where there might be "gaps" in terms of diversity.** For example, we have found it helpful to create a dashboard of charts with different characteristics of our current grantee portfolio, and keep the portfolio composition in mind as we make decisions. Portfolio characteristics, for example, could include percent of beneficiaries by race/ethnic group, by age, by traumas experienced, by type of intervention, by geography, by income level, by sexual orientation, by gender, etc.		
☐	**Do not over-rely on a scorecard / scoring rubric to determine funding decisions.** Scoring applications may serve as a good first cut at prioritizing applications, but it is hard to capture nuances and complexities in a simple application score. Use scores as a tool for discussion, but not as a decision-making tool. Find the right balance between a scoring rubric and discussion.		
☐	**Be aware about how your due diligence process may be biased towards well-resourced organizations with greater capacity** (e.g., financial stability, greater evaluation capability, etc.). As such, you may want to decide ahead of time to award a certain amount of funding to smaller organizations, and compare/judge applications from smaller organizations against each other, and NOT against larger, more well-resourced organizations, which will mostly likely have professional grant writers on staff. As well as organization size, consider bucketing grant applications in other categories for comparison.		
☐	**Be aware of how your due diligence process may favor "evidence-based" practices** (e.g., have been tested empirically with randomized controlled trials and have been documented through academic studies/journal articles). Traditional academic research studies may tend to focus on white populations and are not as inclusive of others. As a result, practices that are effective for under-represented communities might not have a solid academic research evidence base to validate them, but might have other types of evidence of effectiveness, including qualitative research findings.		
☐	**Financial due diligence: understand the board/staff's tolerance for funding higher-risk organizations**		
☐	**Communicate directly with applicants when you have questions about their applications**: set up quick phone calls to understand their circumstances, as well as hear from them what makes their application unique or innovative and how they are working to address their community's needs	✔	✔
☐	**Give honest feedback to organizations on their applications,** out of deference for the time they invested in applying. This will help build their grant-writing capacity for future grant applications.		
Grantee Reporting and Evaluation			

	Affect budget?	Affect timeline?
☐ **Have realistic expectations for grantee results based on the grant amount and grant period**, along with the intervention and target population. If funder expectations are too high, this may encourage grantees to “cream skim” whom they serve through their programs and works against the goal of equitable access to their programs – grantees may choose to serve those beneficiaries who will be the most responsive to their programs and likely to demonstrate results, and direct resources away from those who are most in need but are “hard to serve” and will not show results as quickly.		
☐ **Work with grantees to determine which metrics they should collect,** based on their organizational capacity as well as the data they already collect. Be as flexible as possible.		
☐ **Deepen understanding of and be open to different types of evaluation**, e.g. participatory evaluation. Traditional evaluation methods may not always be the most effective, depending on the program strategy, the cultural context, and/or the population being served.		
☐ **Make reports (and metrics) streamlined and easy for grantees to fill out.** E.g., 1- to 2-page executive summary and some metrics. Consider allowing grantees to submit video reports (e.g., in particular for those who are led by and serve those who have limited English proficiency)		
☐ **Consider asking grantees to submit reports they have already drafted for other funders**	✔	
☐ **Consider making site visits to grantees** (and potentially compensating them for the time they spend on the site visit if it is substantial), **in lieu of formal evaluation reports**	✔	✔
☐ **Pay for data collection / evaluation efforts,** or give grantees additional money to help pay for this activity. Allow grantees to set aside a certain amount/percentage of their project budget for evaluation and reporting.	✔	
☐ **Provide technical assistance to grantees with evaluation** (e.g., instruments and tools such as assessments, survey questionnaires)	✔	
☐ **Consider quarterly check-in calls with grantees instead of formal reports**	✔	
Other Grantee Management		
☐ **Have an open door policy with grantees**: Offer open and responsive communication with grantees	✔	
☐ **Create a simple grant renewal process for grantees:** For example, allow current grantees to submit a combined grant report and a proposal for continued work on the project. Also, do not ask grantees to resubmit documents that they have already previously submitted.		
☐ **Streamline grantee processes for project timeline extensions and budget modifications**		
☐ **Encourage feedback from grantees.** Consider offering anonymous mechanisms for grantees to submit candid feedback, e.g., anonymous survey or third-party evaluator		
☐ **Provide additional support beyond funding**, e.g., connecting grantees with other organizations and funders, being a sounding board, etc.	✔	
☐ **Create learning communities with grantees** who share similar problems of practice. This will help to build their networks and help them to work together to address common issues.	✔	
☐ **Host restorative retreats for grantees.** For example, you could convene current (and some previous) grantees along with like-minded funders and capacity builders for inspiration and renewal, and to encourage cross-sector connection, build relationships, support peer learning. Ensure that the suppliers and venues for these retreats and other foundation meetings also promote DEI.	✔	
☐ **Develop relationships with grantee program staff** and conduct site visits to grantee sites to understand what is happening beyond what is reported via metrics	✔	

	Affect budget?	Affect timeline?
Advisory Board Recruitment and Management		
☐ **Discuss generally (either internally or with board) what a diverse and inclusive board would look like for the foundation**		
☐ **Consider short term limits** (to encourage diversity on the board)		
☐ **Include one or more grantees on the advisory board.** Consider having a target percentage of board members who are grantees.		
☐ **Include one or more beneficiaries on the advisory board**. Consider having a target percentage of board members who are beneficiaries.		
☐ **Embed DEI in governance documents**	✔	
☐ **Train board in DEI principles**	✔	
Grant Making Strategy		
☐ **Discuss with board/staff how much they would like DEI to be incorporated in the priorities of the foundation** and in the criteria by which you assess grant applicants. What would incorporating DEI tangibly look like, and how will you know it is being incorporated? Along with that, clarify how the board defines social good impact and what type of social good impact it would like to make through the fund (e.g., a social good impact accrues direct positive social, economic, financial, or political benefit to communities or populations historically underserved by the market or public-benefit institutions)		
☐ **Discuss with the board/staff how much risk they are willing to tolerate** (e.g., funding smaller organizations[2] which have lower capacity and potentially more unstable finances)		
☐ When conducting a strategy refresh to more deeply embed DEI in your work, be mindful of also **aligning the other systems in your organization with the new strategic direction** (e.g., grant-making processes and grants management systems, professional development, etc.)	✔	✔
☐ **Consider unrestricted grants**		
☐ **Consider multi-year grants.** If grants are only one year, be up front with grantees about this, as well as the process to renew their funding year to year	**Lowers cost of labor (less due diligence)**	
☐ **Consider grants for capacity building including professional development, especially for smaller, under-resourced organizations.** They may not have dedicated grant writers and may lack other critical infrastructure to successfully implement their programs. However, those organizations closest to the ground may have a better sense of what programs will be most effective for their target populations, compared	✔	

[2] For the purposes of this checklist, we use the term "smaller organizations" as a proxy for organizations that have lower organizational capacity and consequently may face barriers to accessing philanthropic funding. While we cannot assume all organizations serving under-resourced communities are "small," we want to acknowledge that organizations serving those communities are often under-resourced themselves and might be "small" in terms of budget, number of staff, fund development capacity, and/or other aspects of organizational capacity. We encourage you to use/adapt this checklist in whatever way will be most effective to ensure that your funding strategies are equitable for under-served communities.

	Affect budget?	Affect timeline?
to some larger, more well-established organizations. Provide funding for an organizational development consultant from the community that the grantee serves, to help guide the grantee organization through the process of building its capacity. In terms of professional development grants focused on sending grantee staff to conferences, please cover travel costs and other related costs, on top of the conference registration fees themselves.		
☐ **Be flexible about the percentage of an applicant's budget you will fund**. If you have a fixed cap on the budget percentage you will fund, smaller, more under-resourced organizations will end up with smaller grants than larger organizations, in an absolute sense.	✔	
General Project Management/Internal Communications		
☐ **Add DEI as a standing agenda item at meetings (staff and board)**: This will help you keep DEI on your radar on a regular basis.		
☐ **Run through this checklist annually** to see how you can continue to adapt your grant-making practice, as opportunities arise and evolve		

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