

**2023 Many Hands Grants  
General Support**

January 2023



## *Sustaining Impact 2022–2025*

# Grants

**Goal 1: Provide large collective grants in the greater Washington, DC, area to local nonprofit organizations meeting important needs for women, children, and families.**

- Objective 1: Conduct a grantmaking process that maximizes collective impact.
- **Objective 2: Balance responsible stewardship of contributed funds with best practices in trust-based philanthropy.**
- Objective 3: Support member participation in the grantmaking process.



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- After a year-long process, the Many Hands Strategic Plan for 2022–2025 was rolled out at the 2022 annual meeting. The plan sets forth organizational goals, objectives, and strategies designed to ensure that Many Hands continues to thrive as a responsive and empowering organization for our members and for our nonprofit partners.
- Goal 1 of the new strategic plan includes objectives for Many Hands grantmaking. These objectives include a commitment to what is known as trust-based philanthropy, including the provision of general support, or unrestricted grant funds.
- Implementation of our strategic grantmaking goals began with changes to the 2023 grant application. The changes to the application were designed to provide focus area committees with the information they need to balance the responsible stewardship of contributed funds with our commitment to providing unrestricted grant funds.
- The change to our grantmaking priorities and the resulting changes to the application mean that there are important differences in how focus area committees will review and consider 2023 grant applications.
- This presentation is designed to help you:
  1. describe the principles of trust-based philanthropy and how they have informed Many Hands grantmaking;
  2. define general grant support, or unrestricted funding, and explain why it's important to nonprofits, including Many Hands grantees;
  3. explain how a commitment to providing general support resulted in changes to the 2023 Many Hands grant application; and
  4. explain important changes to the review and consideration of 2023 grant applications.

## Why trust-based philanthropy?

**Achieving our mission depends on effective partnerships with nonprofit organizations providing services to the women, children, and families we want to help.**

- We acknowledge the substantial barriers to authenticity in the grantor/grantee relationship.
- We respect the experience and expertise of our nonprofit partners, and we trust their ability to respond to the evolving and emergent needs of the community.
- We aim to reduce the burden on nonprofit growth, innovation, and progress.



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- The trend toward trust-based philanthropy is the outcome of years of debate between donors, nonprofits, activists, and academics about the balance of power between funders and nonprofits, and the best ways for funders to engage equitably with funded organizations.
- The principles of trust-based philanthropy encourage funders to:
  - provide multi-year, unrestricted support,
  - do the homework on applicants,
  - simplify and streamline paperwork,
  - be transparent and responsive,
  - solicit and act on feedback, and
  - offer financial as well as non-financial support.
- **For Many Hands, the trust-based philanthropy model has informed our efforts to become more authentic and empowering partners with our grantees, with the goal of improving outcomes for the women, children, and families we want to help.**
- Many Hands grantmaking already reflected many of the best practices of trust-based philanthropy, but, for 2023, we are emphasizing the unrestricted nature of Many Hands grants.

## What is general support?

By providing general grant support (often referred to as unrestricted funding) Many Hands allows grantees to use funds for whatever the organization needs to best support its mission and goals.

General support (as opposed to funds designated for a specific project or program) may provide the “working capital” that nonprofits need to sustain and strengthen their day-to-day operations and focus on their mission.



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- General grant support, often called unrestricted funding, may be used for office rent, non-project-related staff salaries, staff training, technology upgrades, strategic planning, work with a researcher to design an evaluation plan and data collection tools, and other expenses necessary to run the organization. In short, unrestricted funds can be used for anything allowable under the organization’s designation as a 501(c)(3) organization.
- Project or program funding is restricted to the delivery of a specific project or defined set of activities. Funders often limit the percentage of a project or program grant that may be used for the general operating costs of the organization.
- It’s important to note that both funders and grantees define funding terms in different ways and often use them interchangeably. You may hear people refer to general grant support as unrestricted funding, operating funds, or core funding—but there is not a common understanding in the field about precise definitions for these terms.

## Why general support?

### What nonprofits say:

*“Unrestricted funding is the single most powerful thing that funders can do to support charities. It enables us to be agile and decisive in dealing with the ever-changing demands of the current uncertainty, while planning as best we can for whatever the future holds.”*



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Enabling grantees to have greater control over their own spending may add value in numerous ways, including the following:

- 1. More efficient use of expertise.** It respects the experience, skills, and knowledge of funded organizations, freeing them to make informed judgements about the best use of funds.
- 2. More flexibility and agility.** It recognizes that the future is unpredictable, and it enables funded organizations to responding quickly to changing circumstances and needs.
- 3. More effective work.** It maximizes the chances of delivering the greatest positive impact for the communities and causes that the funder seeks to support.
- 4. Improved relationships.** It helps support honest dialogue and mutual respect between funded organizations and their funders.
- 5. Increased confidence.** It enables a more supportive, less transactional funding relationship that may deliver a significant boost to funded organizations.
- 6. Reduced administrative burden.** It reduces bureaucracy for both funders and funded organizations.
- 7. Reduced organizational risk and greater resilience.** It gives funded organizations greater ability to cover all essential costs, deal with challenges quickly and effectively, and innovate.

## Why general support?

### What other funders say:

*“We don’t know what the face-to-face experience is: we don’t really know what it’s like to work with trauma. . . . We hope we bring empathy, and we think we have some insight, but it’s the organizations that deliver who know better.”*

*“Unrestricted funding gives our partners the freedom to be outcomes-focused and community-led. They can do their best in the best possible way; it enables them to plan and allows them the discretion to stop what’s not working and adapt to new realities.”*



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- Funders often see philanthropy as a straightforward equation of inputs and outputs, assuming a causal relationship between investment and outcomes. Yet, if we seek to support real change . . . it’s crucial that we accept that this work is complex, incremental, messy, unpredictable, and anything but straightforward.
- Our efforts are one piece of a complex, dynamic system constantly working for and against the changes we seek. Attempting to conclusively link our funding to a specific outcome is reductive . . . and likely impossible.
- Providing general grant support requires that we start from the assumption that our nonprofit partners know their own business and can be trusted to spend wisely.

## How has the Many Hands grant application changed?

The application emphasizes the mission and work of the *organization as a whole* and not of a particular program or project.



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- The changes to the application were communicated to grant applicants in numerous ways, including through a webinar and a more robust “Frequently Asked Questions” page. The grants committee also fielded emails from individual applicants.
- Many Hands has long made general support grants, because we do not have burdensome reporting processes that require grantees to submit detailed expense budgets.
- Our emphasis on the unrestricted nature of our funding this year is a more transparent approach. Essentially, it’s an acknowledgement of what we have been doing. Nevertheless, it does require a change of mindset for both reviewers and applicants.

## How does grant review and consideration change?

***Increased focus on organizations with a mission to meet important needs for women, children, and families in socioeconomic need.***

***Decreased focus on programs or projects conducted by organizations with a mission that doesn't fully align with our priorities.***

***Does not change focus on sound finances, good governance, a demonstrated commitment to diversity, equity, and inclusion, and evidence that applicants know their work and the people they serve well.***



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- In the past, organizations that didn't have a strong mission alignment with Many Hands could apply for funding for a project or program that was designed to serve women, children, or families. For 2023, organizations without a fully aligned mission are not eligible for Many Hands funding.
- Examples of organizations that were previously eligible to apply for funding, and are not eligible for 2023, include the following:
  - An afterschool arts education program serving a large percentage of middle class students, that applied to start a program targeting one disadvantaged school.
  - A housing organization with six large housing units, including two outside the Many Hands service area, that applied to start a program for women at one of the residences in the service area.
- It's reasonable for organizations to talk about the impact of a program or project in their application, but we want to evaluate how a Many Hands grant would strengthen an organization and support its mission. An applicant with a timely organizational need may be especially interesting to reviewers.
- All of the applications referred to the focus area committees have passed eligibility review. However, the percentage of women, children, and families served, and the percentage of those served in the Many Hands service area, is still somewhat subjective. It is up to each focus area committee to decide how much weight to give those considerations.



## References & Further Reading

1. ***Sustaining Impact 2022–2025***. Many Hands Strategic Plan. 2022. Many Hands .
2. ***5 Myths of Traditional Philanthropy: A response to Common Misperceptions About Trust-Based Principles***. 2020. Trust-based Philanthropy Project.
3. ***We're Here to Clear the Air on What Trust-Based Philanthropy is and What It Isn't***. 2022. Trust-based Philanthropy Project.
4. ***The Holy Grail of Funding: Why and How Foundations Give Unrestricted Funding***. 2022. Institute for Voluntary Action Research.
5. ***Unrestricted Funds, Results-Based Accountability, and Conversation: A Pilot Program for General Operating Grants*** 2022. Peter and Elizabeth Tower Foundation.



- The resources on this page were referenced liberally in the creation of this presentation. They provide additional background and link additional reading for those that are interested.