

## Grant Development Overview

The Gordon and Betty Moore Foundation works actively with grantees and stakeholders to solve problems and catalyze discoveries for lasting impact. We have found that active and creative engagement from both prospective grantees and foundation staff creates grants with impact. Thus, we have a highly interactive grantmaking approach that requires an authentic, honest and transparent relationship between grantees and our staff throughout the grant cycle.

Your program officer is the primary point of contact at the foundation for discussions relating to your potential grant. The program officer works closely with other colleagues, including program associates and grants administration staff, to form a grant team. Prospective grantees and the grant team engage in dialogue to understand each organization's strategic priorities. When there is common ground and shared goals, we work together to define and shape a grant reflecting these shared priorities. After a grant is approved and underway, grantees and the grant team communicate on the grant's progress and work together to resolve issues. Throughout the grant life cycle, members of the grant team play multiple roles including strategist, connector, manager and learner. Our grantees tell us that while our process is rigorous, it is also beneficial for clarity during planning and real-time adaptive management during project implementation. At its best, engagement between grantees and the grant team helps everyone involved to see a broader perspective on innovation and connection that can help make grants more effective.

This overview will help you prepare for successful grant development.

### Grant Development

A strong grant is rooted in clear grant purposes and goals. While your organization and the foundation may have different strategic priorities, discussions with your grant team help to find common ground for a proposed grant. As a grant concept takes shape, you and your grant team will work together to articulate and refine the specifics of your grant.

From that base, you will formulate measures of success and progress, incorporate a data sharing plan (if appropriate) and develop activities into a work plan and budget to outline the grant activities and necessary resources. We believe that objective and meaningful measurement enables your organization and the foundation to understand how progress is being made and to learn and adapt when intended progress is not made.

### Commonly Used Terms

To start, here are terms you will hear frequently in the process:

- **Outcome** - Transformative change in behavior, conditions and/or understanding.
- **Output** - Tangible product, service and/or knowledge resulting from a grant's activities.
- **Activities** - Actions and processes employed to produce outputs and/or outcomes.
- **Outcome plan** - Plan for key outcomes and/or outputs and high-level activities associated with each grant. The outcome plan is the core of the grant and a tool in grant development, monitoring and management. The outcome plan is attached to the grant agreement, which formalizes the grant after approval.

## Grant Package

Your grant team is responsible for completing a grant package with the following elements:

1. **Grant Summary** - A narrative description of the grant and its purpose including the significance of the problem that the grant will address, how the grant will address that problem, and external conditions affecting the grant. A description of a measurement strategy or key metrics that will be tracked to measure progress towards achievement of the grant outcome.
2. **Outcome plan** - As described above.
3. **Payments and Requirements Plan** - A schedule of payments and required reports for the grant. In some cases, your grant team may require phone calls, meetings or a site visit.
4. **Grant Budget** – An estimate of the costs of required resources for the grant's outcome plan.
5. **Due Diligence Review** - To better understand your organization, the foundation may review your organization's tax status, financial statements and other documents.

The outcome plan and the grant budget represent a reasonable arc of planned activity and resources with the understanding that changes to the plan are often necessary during implementation.

## Grant Budget

Using the agreed outcome plan as a base, you develop the budget that estimates the costs of the required resources. This budget serves as the base of the proposed grant funding, payments and financial reporting. We do not require a specific budget format and encourage using a format that enables efficient tracking for your organization during the life of the grant.

While the format is flexible, the grant budget must at a minimum include an estimate of direct costs by year and expense line item, grouped by the following categories: personnel, consultants and contractors, sub-grants, other direct expenses, capital expenditures and a description of assumptions or justifications underlying the cost estimates which provide an explanation for how you determined expenses.

Grant budgets may include indirect costs of up to 12.5 percent of direct costs, excluding consultants and contractors, sub-grants, endowments, capital expenditures, fee-for-service charges, fiscal sponsor fees and tuition. Grant budgets may not include retroactive funding to reimburse costs incurred prior to the date the grant is approved.

## Due Diligence Review

Parallel to the development of the potential grant, we may review finances and tax status to learn more about your organization. The potential grant may include aspects that require additional attention to ensure that the foundation complies with U.S. tax regulations. The findings from the due diligence process merge with the outcome plan development and help shape the proposed grant structure. Your grant team informs you if we require any documentation. For U.S. nonprofit organizations (except universities and hospitals), we typically request two years of audited financial statements and the current year budget. For non-U.S. nonprofit organizations, we require additional documents.

## Process

The grant development process involves engagement between you and your grant team to shape all the dimensions of the grant in a collaborative fashion. Depending on the scale of the grant and the work to establish shared understanding, the time required for grant development varies. You and your grant team

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will discuss an estimate of how long your grant will take to develop. Your grant team will share any deadlines that impact your potential grant. Please discuss any scheduled periods when you will not be available during the grant development process.

The formal stages in the process are as follows:

**1. Grant Development**

This is the primary phase for information gathering, interaction and due diligence. Starting with your proposed grant, we jointly develop and finalize the outcomes and budget through an iterative process. Then, your grant team writes the internal grant summary that includes information on the grant's outputs, outcomes and budget; how these outputs and outcomes contribute to the foundation's strategies; the required monitoring and reporting schedules; etc.

**2. Submission and Approval**

Our grants administration staff administers approval of the grant based on our delegation of approval authorities. If the appropriate authority approves the grant, our grants administration staff sends you a grant agreement, the document which lays out the conditions under which we are making the grant. Once the foundation and your organization execute the grant agreement, we consider the amount of the grant awarded (but not before). It can take a month or more until your organization receives the first payment, depending on how quickly the foundation and your organization sign the grant agreement. Note that travel schedules and holidays can impact the time period for execution.