



## Grant Administration Overview

### INTRODUCTION

Congratulations on receiving a grant from the M.J. Murdock Charitable Trust! We hope it serves your mission, strategic objectives, and project goals well. Once a grant has been awarded, there are several reports that must be submitted to ensure it is executed successfully. This process is referred to as grant administration and will be overseen by the same program director that processed your grant proposal. The intent of the process and the purpose of each of the reports is to help you execute the grant in a manner that is consistent with the *Grant Agreement* and the specific goals outlined in your application for the project and the organization. Furthermore, it is an opportunity to identify specific learnings that arise from all aspects of the project including planning, implementation, and the initial outcomes that may present themselves. Hopefully, these learnings will inform your organization's activities for all future projects.

While instructions for completing specific documents are discussed more thoroughly in the *Instructions for Completing Grant Administration Forms* (found in [Grants Administration and Reporting Resources](#) on our website), below is an overview of the grant administration process that outlines the life cycle of a grant. All of the reports require certification by the organization's leadership. All of these reports are scheduled and populated in your Grants Portal at the time of the grant award, and it is the responsibility of the grantee to complete and submit reports when they are due, when a payment is required, or when a material project update has occurred. The timing of reports marked as Tentative may be changed as needed to reflect the timing of the project's implementation.

### LIFE CYCLE OF A GRANT: DOCUMENTS AND FORMS FOR GRANT ADMINISTRATION

1. **Grant Agreement**—After the Trustee decision to award a grant, the grantee will receive a *Grant Agreement* (GA) that outlines the particulars of the grant, including whether or not any contingencies or conditions were placed on it. The GA must be signed by the organization's leader and a board member.
2. **Project Update Report**—Used to relay information about the organization, its leadership, the project, and material updates that affect the grant, the *Project Update Report* (PUR) is available in the Grants Portal to be submitted



at any time during the grant administration process. This is to be used when a payment is not needed, but a material project update has occurred that needs to be communicated with your program director. A PUR is automatically scheduled for your grant when it is awarded so that you can easily access it through the Grants Portal. If you never have need for it, you do not need to submit this report.

3. **Progress Report**—The *Progress Report* (PR) is used to request grant dollars eligible for disbursement. In this report, you will be asked to report on progress to date, or since the last report submitted, how previous Trust monies were spent (if applicable), and how the requested dollars will be used. A PR is used to request a payment of funds for which no conditions are required. Payments are made at the end of each month, and a PR should be received by the due date listed on the report in the Grants Portal to allow for internal Trust processing of the request.
4. **Conditions Met Report**—If a condition was placed on the grant, such as a match requirement, contingency, or a specific reporting expectation, a *Conditions Met Report* (CMR) must be submitted to demonstrate how that condition was met before the funds can be requested. There is typically a deadline included in the GA for a stated condition; these dates are firm and cannot be modified or extended without special permission, which should be initiated by the Project Update Report (detailed above), after a conversation with your assigned program director. The CMR may be submitted as soon as the condition has been met. A CMR may also be used to request a payment for conditional funds when the stated conditions have been met. In that instance, payments are made at the end of each month, and a CMR should be received by the due date listed on the report in the Grants Portal to allow for internal Trust processing of the request.
5. **Final Report**—As soon as all Trust grant funds have been expended—usually no later than a year following the final distribution of Trust funds—the organization is required to submit a *Final Report* (FR) that demonstrates how the funds were used. The FR also provides an opportunity to share the results and impact of the grant award. Once the FR is received and approved, the organization will receive a final confirmation from your assigned program director, and the file will be officially closed.



## TYPES OF GRANTS

The Trust endeavors to structure a grant award with consideration for the applicant and the project in a manner that is consistent with the Trust's philosophy and practice. It should fit the grantee's constituency and help the organization get to the end of the fundraising process so that the project may be completed. The Trust considers the amount requested, the range of grants made to other similar projects and/or organizations, and some measure of protection for the Trust's intentions and project completion. In all cases, the Trust likes to hold the funds until the applicant is ready to expend them. There are two types of grants (outright and contingent) and several variations.

1. **Outright Grant**—an award without conditions, of which there are two types:
  - a. **Straight Outright Grant**—an award without conditions except that it be used for the proposed purpose. Full or partial payment may be requested with the returned GA; payment is typically scheduled soon thereafter. If the awarded funds are not immediately needed, a payment may be projected into the future.
  - b. **Up To Outright Grant**—an award without conditions except that it be used for the proposed purpose. The words *up to* enable the Trust to avoid overfunding the project. Partial payment may be requested and paid with the returned GA. For the full amount, the grantee must provide an actual or final expense and revenue project budget, including the sources and amounts given by other funders. This will demonstrate the amount needed to complete the project. If only a portion of the award is actually needed, the remainder of the grant funds will be canceled or rescinded.
2. **Contingent Grant**—an award with specific conditions, of which there are three types:
  - a. **Matching Grant**—the most common matching award is a 1 to 1 requirement (1:1) where the grantee must raise a sum for the project equal to the award from the Trust; for a 1:1 grant of \$50,000, the grantee must raise \$50,000. The Trust may award a 1 to 2 contingency (1:2), meaning that for a grant of \$50,000, the grantee must raise \$100,000. Occasionally, a 1:3 or 1:4 contingency may be used. A matching award must be satisfied with cash, pledges, and sometimes in-kind goods and services that are applied to the project. If earned revenues may be used to meet the condition, the words “internal or



external to the organization” will be included in the award language in the GA. When the contingency is met, payment may be requested.

- b. **Top-Off Grant**—a contingent award intended to be the last sum of money needed to complete all aspects of the presented project or the entire scope of work as outlined in the proposal. PLEASE NOTE: The Trust considers a project complete when construction, renovation, etc., is done and all the final expenses are known. A completed project is not based on securing a pre-determined fundraising goal or the amount of the project budget as presented in the application. Therefore, an organization must complete the project, identify all the associated costs, and secure sufficient funds to cover all those costs (including the amount of the Trust’s award) to meet the condition of a top-off grant from the Trust. A top-off grant may be satisfied with cash, pledges, in-kind goods and services, and/or debt. When the contingency is met, payment may be requested.
- c. **Mixed Grant**—an award that carries an outright portion and a contingent portion that is structured either as a match or a top-off. The grantee benefits from an outright portion to help cash-flow a project when little or no other resources are available to the organization. The outright portion may be paid when requested; the contingent portion may be paid when the contingency is met.

## GRANT PAYMENTS

Payments are initially scheduled to correspond with the status of the project, conditions expected to be met, and the Trust’s historic practices. Generally speaking, the outright portion of a grant may be requested as needed, and the conditional portion may be requested once the requirements have been met.

1. **Capital Grant**—Typically, capital grants are paid out in *one or more* of the following ways: an outright portion, a matching portion, or as a top-off contingency. As a result, the scheduled payment date(s) may vary. Outright portions are usually tentatively scheduled for immediate payout, while matching portions and top-off contingencies are scheduled with payment dates well into the future to give the organization time to complete the stated condition. However, when the condition is met, a payment may be requested, even if it is prior to the posted due date. Top-off awards are paid once the project itself is completed and all funds necessary to cover final costs are known.



2. **Equipment and Technology Grant**—Typically, equipment and technology grants are paid out in the following ways: outright, or as either an up-to or a top-off contingency. Outright payments on up-to and top-off contingencies are scheduled well into the future to give the organization time to secure the needed resources to complete the project’s funding and, in the latter instance, to fully complete the project. Once the condition is met, a payment may be requested, regardless of the scheduled date.
  
3. **Staff and Program Grant**—Typically, staff and program grants are paid out over three years in six-month increments, beginning at the point at which the new staff member is hired or when the new or expanded program commences. Because the first three payments are outright, the tentative due dates may change to reflect the actual start date and the preferred six-month payment schedule. The final two scheduled payments correspond with the expected contingencies. While scheduled dates for those conditions are firm and reports are required to show progress, payments at that time are not automatic. Once the condition is met, a new tentative payment date may be set to correspond with the grantee’s actual need for funds and the six-month schedule previously noted.