



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 documents and forms 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 forms are 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,” below is an overview of the grant administration process that outlines the life cycle of a grant. All of the documents require the signatures of the organization’s leadership. With the exception of the *Grant Agreement*, all of the document submissions are the responsibility of and initiated by the grantee, and the forms can be found on the Trust’s website.

LIFE CYCLE OF A GRANT – DOCUMENTS AND FORMS FOR GRANT ADMINISTRATION

- a. **Grant Agreement**—Within about two weeks of a 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 upon it. This document must be signed by the organization’s leader and a board member.
- b. **Progress Report**—Used to relay information about the organization, its leadership, the project, and the use of grant funds, this *Progress Report* (PR) is



commonly used to request grant dollars eligible for disbursement. In this document, you will be asked to report on progress to date, how previous Trust monies were spent (if applicable), and how the requested dollars will be used. A PR can be 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 fifth of the month to allow for internal Trust processing of the request.

- c. **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. 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 fifth of the month to allow for internal Trust processing of the request.
- d. **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 letter 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 fund-raising 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 upon securing a pre-determined fund-raising 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.