



## Potential Solutions

### Problematic Practice

In the “[Nonprofit starvation cycle](#),” nonprofits understate needs in order to get funding; funders come to believe impacts cost less than they do.

### Sustainable Practice

Ask applicants to report the full costs of running the organization, not just the particular project;  
Take guidance from [Full Cost Project](#).

### Aspirational Practice

Consider following the example of [SkillWorks](#), a funder collaborative which requires grantees to take a [job quality assessment survey](#) and to then discuss how their pay and practices compare with others in their same field.

Nonprofit managers believe funders want them to be as frugal as possible with the funding.

Put a clear statement on your application forms, grant award letters and website that you want to support good jobs with family benefits.

Consider adding questions to application forms about pay levels, benefits and internal pay ratio, in a non-threatening, supportive tone to show that the foundation wants to help support good jobs.

Application processes are cumbersome, draining scarce staff time.

Online forms with character limits are especially difficult for applicants. So are unusual questions probably not already prepared for other funders, such as ‘Apply your theory of change to each of your 3-year objectives’.

Use a common grant application such as [Philanthropy MA’s Common Proposal form](#); or collaborate with other funders in your field and region to create a common application.

Suggest maximum word counts but don’t require them.

Consider having no application form, but accepting existing organizational materials or proposals written for other funders (unless there are specific requirements for a large RFP).

Likewise, accept Form 990 or audited overall financial statements, instead of requiring project budgets and grant-specific financial reports. Don’t insist applicants use the foundation’s budget form.

Consider giving small grants (with no reporting requirements) to applicants that are not awarded more significant funding, to recognize the staff labor that went into the application.

Reporting requirements can absorb large amounts of staff time—sometimes costing more than the grant amount.

Move towards “[trust-based philanthropy](#),” asking only for easily available work products, financial reports and annual reports, not itemized financial breakdown or elaborate reports.

Eliminate reporting requirements for small grants, or reduce their frequency for multi-year grants.