



Colorado Common Grant Report

User's Guide



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***** INTRODUCTION *****

Purpose

The purpose of this User's Guide is to help grant recipients navigate the Common Grant Report (CGR) and to gain insight into what the developers of the report intended for each question. This guide is meant to provide grant recipients with the information they need to complete a comprehensive and well written report. The final report will most likely be one of the last pieces of communication with your grantmaker before the next funding cycle. This guide is here to help you get it right.

The User's Guide is also intended to alleviate some fears that organizations may have around completing a CGR. While the questions are uniform, grantmakers expect wide variation in the answers based on an organization's budget size, years in existence, location, and mission. There is no one "right" answer.

It is not essential for a grant writer to reference the User's Guide when completing the CGR. The CGR itself is designed to stand alone. However, for those new to grantwriting or for any writer who is not clear about the intent of a particular question, the User's Guide provides information that will hopefully alleviate confusion. It is also appropriate to contact a grantmaker directly if you have questions that are not answered on the grantmaker's website or in its grant guidelines. Please note that this guide was written with the understanding that not all grantmakers will opt to use the CGR, and some will modify the form to meet their individual needs. However, this guide can still serve as a learning tool for best practices for report writing.

Colorado Common Grant Report History

The Colorado Common Grant Report (CGR) was created and introduced in 2002 as a tool to complement the original Colorado Common Grant Application (CGA). The intent in creating the original CGR was to create a tool that would be accepted by many grantmakers, therefore making the reporting process more efficient for Colorado nonprofits.

In late 2005, a group of nonprofit organizations and grantmakers launched a collaborative effort to review, revise, and fine-tune the Colorado CGA. The revision process was inclusive and extensive, engaging broad representation from nonprofits, grantmakers, and capacity-building organizations. At each step along the way there were surveys, focus groups, expert working groups, testing, re-testing, piloting, and hours of discussion. The deliberate outreach included nonprofit executives, nonprofit staff, development staff, CEOs of grantmaking organizations, program officers, grants management staff, capacity building trainers, and consultants. All categories included individuals new to the field and those with years of experience. Since its launch in April 2008, this revised CGA has been adopted by nearly one hundred grantmakers across Colorado, public and private, and hundreds of nonprofits have used the CGA in applying for grant funding.

In late 2008, a group of nonprofit organizations and grantmakers again came together to revise the CGR to better complement the updated CGA. The revised CGR fulfills the same purpose as the original: to provide a report that would meet the needs of grantmakers and nonprofits, therefore



making the reporting process more efficient for both. Although it corresponds closely with the revised CGA, the revised CGR is a stand-alone document; grantmakers that do not accept the CGA may still accept the CGR as a reporting document and vice versa. Do not assume that a grantmaker that accepts the CGA also accepts the CGR.

A brief User's Guide was created to accompany the original CGR (2002). Called *Tips for Users*, it was designed to help organizations prepare reports more effectively, and to help grantmakers determine the impact of their own grants. During the revision of the CGR, a new User's Guide was created as a more detailed reference tool for grant recipients. Much like the User's Guide for the CGA, the CGR User's Guide is intended to serve as a reference tool for the reporting process and the CGR itself.

How Do Grantmakers Use Grant Reports?

In preparing grant reports, nonprofit staff members often wonder how the information will be used by grantmakers. Not surprisingly, the answer varies depending on each particular grantmaker. Understanding how foundations use grant reports can help nonprofits in writing stronger reports. While this varies, most grantmakers will review the report to get a sense of how the grant was used. Remember, grantmakers are accountable too. The information in reports is often shared with the trustees of the grantmaking organization in order to highlight accomplishments achieved throughout the year. Some grantmakers use the information to measure their own success. Some grantmakers who narrowly focus their funding aggregate information from grant reports to identify how they are having an impact on a particular issue, determine ways in which they could increase the impact of their grantmaking, or trends that may exist among grantees (for example, that one approach is particularly effective or ineffective).

Since foundation staff often act as advocates for their nonprofit partners, they are often expected to be able to report on what grantees did during a given grant period – the challenges as well as successes. This is why it is so important for organizations to answer reporting questions completely and accurately. If the grantmaker is considering another request for funding from your organization, they may also consider the information in the report in making their decision about future grants for your organization. In these cases, the information in the report is considered as one of many factors in making a funding decision. Grantmakers expect that their grantees will confront challenges and experience successes in a given year; whoever reads your report will get a richer picture of your organization if you are honest and straightforward, so it is important to communicate a complete picture of your organization.

Additionally, many grantmakers are interested in whether the organization is a learning organization. For example, how does the organization adapt to and confront challenges? How does the organization deal with setbacks? How does experience inform practice? Grantmakers with this focus will typically not deny future funding requests if an organization did not manage to achieve the goals and objectives outlined in their original grant request. More emphasis will be given to what the organization learned from the experience and whether the organization is taking steps to improve performance and effectiveness. Nonprofits are not working on simple issues. Therefore, what organizations are learning about what does work and what does not work with respect to their



particular focus is extremely valuable in terms of making progress on achieving their mission. That is why sharing setbacks and disappointing results can be helpful in advancing a field of practice.

We advise you to resist the temptation to only report the successes and the good news. There is much to be gained by wrestling with why something is not working as planned. That is where the breakthroughs can come for many organizations, thus improving effectiveness and overall success.

Report Writing as Relationship-Building Tool

A report is often required by grantmakers as a condition of the grant agreement or grant contract. In many cases, further grant requests may not be considered until the report has been completed and returned to the grantmaker. Even though the report is often a requirement, completing it should be a valuable experience and opportunity to reflect on what went well and what did not during a given grant period, and how the organization will adapt in the future to what it has learned. The grant report is an important document that can often strengthen the partnership between the grantmaker and grant recipient. Use this opportunity to communicate clearly with the grantmaker about the accomplishments achieved and challenges faced during the grant period.

It is easy for readers to distinguish between a report that primarily consists of boilerplate language and one in which the writer has taken the time to reflect on the previous year in order to convey their experience during the grant period. The thoughtful, well-written report provides a grantmaker with another avenue to get to know the organization and understand how it operates.

Also know that it is appropriate to communicate with a grantmaker well before the final grant report is due. Sharing pertinent information in a timely fashion with a grantmaker about recent organizational changes, whether positive or negative, helps to build a stronger relationship. Grantmakers want to have a clear understanding of an organization's challenges and opportunities, as it allows them to be more informed. It also allows an organization to be the one to provide accurate information to a grantmaker, rather than potentially inaccurate information that could come from the media, the grapevine, or other sources.

Each relationship between a nonprofit and a grantmaker will be unique. A variety of factors will influence how individual nonprofit organizations interact with different grantmakers. An all-volunteer nonprofit will likely have different ways of connecting with grantmakers than nonprofits with dedicated development staff members. Just as foundations have different procedures and policies, each will have different approaches to grantmaker/grantee relationships. A large, national grantmaker will have a different relationship with a nonprofit than a small, local foundation. Some foundations may prefer written communications, while others might welcome phone calls. It is a good idea to ask a grantmaker how best to communicate during and after the grant period, and approach them with questions or concerns.



***** PRACTICES OF GOOD REPORT WRITING *****

As described earlier in this User's Guide, a report is often required by grantmakers as a condition of the grant contract or grant agreement. In many cases, further grant requests may not be considered until the report has been completed and returned to the grantmaker. The report is an important document that can often strengthen the partnership between the grantmaker and grant recipient. Use this opportunity to communicate clearly with the grantmaker about the accomplishments achieved and challenges faced during the grant period. Consider the following practices when preparing your organization's report:

- It is recommended that reporting organizations demonstrate transparency and accountability (as highlighted in the Colorado Nonprofit Association's *Principles and Practices for Nonprofit Excellence in Colorado*). To that end, write a report that reflects the true measure of your organization with regard to each question asked in the CGR.
- Keep in mind that accountability is not just about grantmakers holding grant recipients responsible. It is also about nonprofit service providers using findings and results to ensure that the needs of their clients are being met, that their mission is being accomplished, and that the organization is running as efficiently and effectively as possible. A good report will demonstrate that the organization has been assessing effectiveness during the grant period, and making adjustments as necessary.
- Be honest and accurate. Sometimes things do not go as planned. Grantmakers are expecting to hear the good, the bad, and even the ugly. A good motto for your organization to live by: no secrets and no surprises. It is likely that a grantmaker will hear the news eventually, and it is always better they hear it from you than in the media or through the grapevine. There are certain times or circumstances when you simply need to pick up the phone and contact your grantmakers. Most often it will be bad news or difficult news you have to share – do not wait until your final report is due to communicate this kind of information. Such circumstances could include the possibility of large staff layoffs, significant financial challenges, the end of a program, the potential closing of the organization, issues with the IRS or Colorado Secretary of State, a leadership transition, etc. The news could also be that a staff or board member is experiencing some public difficulty (such as an arrest or legal action) that may impact your work. Keep your grantmakers in the loop with current, accurate, and honest information.
- By all means, feel free to share good news too. Grantmakers like to hear about accomplishments and struggles. Nonprofits do not always have to wait until report time to contact their grantmakers. The bottom line here is that this is a partnership. Keep your organization's partners, its grantmakers, in the loop.
- It is expected that an organization will be confronted with challenges during any given year. What is telling is how an organization responds to challenges. For example, imagine that an organization started a new program during the grant year. That program was well thought out, and had been developed in response to a growing community need. Perhaps during the grant



period it was determined that this program was not such a good idea after all – perhaps enrollment did not meet expectations, etc. Share that information with the grantmaker, and tell them what the organization plans to do next. This is not bad news, and it is not a failure. If the same kind of thing happens year after year it may become a concern for the grantmaker, but that is not often the case.

- Follow each grantmaker’s specific instructions for submitting a report. Refer to the original contract or award letter, check the grantmaker’s website or annual report, or call the grantmaker if these attempts do not yield an answer.
- Read through all the questions before beginning to write the report.
- Consider the time that may be needed to obtain or compile information, and plan accordingly. Getting board signatures or financial reports, for example, can take some extra time.
- Make sure to provide all of the requested information.
- Make sure to get the appropriate signature for the Summary Sheet.
- Avoid repetition. Each question should prompt a unique answer. If you find that you are repeating yourself, go back and re-read the questions, provide references to other parts of the report instead of being repetitive, and/or reference this User’s Guide for further clarification about how to answer a specific question.
- Proofread! You might want to have another person, preferably someone unfamiliar with the organization, proofread the report before sending it in. If this reader does not understand what is being conveyed, work to clarify it.
- Double-check that all required attachments are included. It is possible that some grantmakers may require additional documents such as annual reports, evidence of media coverage, or other pieces.
- While this document does reflect on your organization, remember that it is not a marketing piece. Within the narrative of the report, there is no need to incorporate graphs, charts, or other graphics unless they are essential in communicating information. Keep the narrative direct and concise, and save any relevant graphics for attachments pertaining to evaluation.



* * * SUMMARY SHEET FORM * * *

Rationale

The Summary Sheet Form is intended to provide a snapshot of the organization. Often, this information is entered directly into a grantmaker's grant management database. Also, grantmakers often use the summary sheet for quick reference when reviewing the report.

Tips and Things to Consider:

- If the CGA was used to apply for this grant, then the information on this Summary Sheet Form should be similar, if not identical, to the information provided on the CGA Summary Sheet Form.
- Be sure that the information on the CGR Summary Sheet Form (grant amount, etc.) matches any references made in the grant contract, award letter, or any other communications with the grantmaker.
- Make sure all information is current and accurate.
- Regarding specific items on the Summary Sheet Form:
 - **Legal Name of Organization** – This should be the exact wording from the IRS tax-exempt letter.
 - **DBA (if applicable)** – The name that the organization is widely known by (or 'doing business as') if different from the legal name.
 - **Mailing Address** – Provide a complete and accurate mailing address for the organization.
 - **Phone and Fax** – Include the area code along with the number(s) of the organization.
 - **EIN** – The Employer Identification Number of your organization. It is sometimes referred to as a Federal Identification Number.
 - **Website** – Include the complete and accurate website address of the organization.
 - **CEO/Executive Director** – Provide the complete name and salutation of the person currently in this position.
 - **Phone & Email** – Provide the complete telephone number (including extension) and email address of the CEO/Executive Director.



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- **Report Contact & Title** – Provide this information if a person other than the CEO or Executive Director should be contacted for questions or further information.
- **Phone and Email** – Provide the complete telephone number (including extension) and email address for the report contact.
- **Dates covered by this grant** – Use the dates agreed upon by the organization and grantmaker. This date can often be found on the contract or award letter, or by contacting the grantmaker. Typically, this is a one-year time period, but not always.
- **Grant Amount** – Fill in the amount of the funded grant. This may be different than the amount asked for in the grant application and can be found on the grant award check, the grant contract, or the award letter.
- **Grant ID Number (if applicable)** – This number is typically provided by the grantmaker and used in other correspondence. If you are unsure what the number is, contact the grantmaker or leave it blank. Sometimes the Summary Sheet Form will be provided to you with some of the information already filled in, including that Grant ID number. If the grantmaker did not inform you of a Grant ID number at the time of the grant award, it is safe to assume that they do not use Grant ID numbers.
- **Project/Program Name (if applicable)** – Provide the name of the project or program funded by the grant. If the organization was awarded a grant for general operating support, write 'General Operating Support'.
- **Summary of the Grant Purpose** – Briefly describe what the grant funding was to be used to do.
- Have there been any changes to your organization's federal tax-exempt status since you were awarded this grant? If yes, please explain in the narrative section of Question Four.
- **CEO/Executive Director Signature** – If there is no CEO or Executive Director, the board president should sign the form. Indicate that change if relevant, or if the person signing is an interim CEO or Executive Director. Check with each individual grantmaker to see if they will accept an electronic signature.



***** NARRATIVE QUESTIONS *****

Overview

When writing your report, please be aware that Questions 1, 2 and 3 of the CGR are intended to focus specifically on the funded grant, whether it was for general operating support, a program or project, capital, or something else. If the report is for a general operating grant, then Questions 1, 2 and 3 should be focused organization-wide covering the goals and programs outlined in the original proposal. If the report is for a program, project, or capital grant, the information provided for Questions 1, 2 and 3 should focus on the purpose of the grant, with information about the organization as a whole included as appropriate. In Questions 1 and 2, address what happened during the period of the funded grant (looking backward). Question 3 is about forward thinking and looking ahead toward what the organization will do with what it learned during the grant period.

Question 4 provides an opportunity to report any other relevant pieces of information or updates. In Question 4, you might focus on significant changes in areas such as board governance, planning, inclusiveness efforts, leadership, evaluation, etc. These could be updates related to what your organization may have shared in the original application, plus other things that have happened within the organization; for example, leadership transition, staffing changes, program cuts, or major new initiatives that have changed your organization's focus. With this question, grantmakers are seeking to gain an understanding of what else of significance happened during the grant period. Please do not simply repeat information from your original proposal or other sections of the grant report.

QUESTION 1 – PROGRESS AND RESULTS.

- (a) Describe the progress made toward the goals and objectives as stated in the funded grant.
- (b) Summarize the organization's key evaluation results related to the funded grant.

Rationale

The purpose of this question is to report on the progress made in accomplishing the work laid out in the funded grant. In essence, did you do what you set out to do? The grantmaker is trying to learn about how the grant money was spent, as compared to the information communicated in the funded grant application.

- (a) In the first part of the question, specifically address the purpose of the grant that was funded and provide a brief description of the progress made. If the organization received general operating support, this answer may address a number of programs and overall agency goals. If the organization received program or project support, the answer will highlight very specific goals and objectives about which the organization can provide progress updates and outcomes. Please note that even if specific goals were not outlined in the original grant, it is still



necessary to describe progress made over the course of the grant period. The response to this question will give the reader an understanding of the degree to which the organization met its funded goals (addressed the purpose and intent of the grant).

- (b) In this part of the question, provide a brief summary of evaluation results. The response to this question will provide the reader with data and information that describe the results of the organization's efforts during the grant period. If evaluation results are not available at the time that the report is being written, indicate when final results will be compiled and provide results compiled to date. Most grantmakers will want the organization to send the final results once they are available. Typically it is not helpful to report on last year's results in this year's report. More than likely, those results were already described in the original grant proposal.

Tips and Things to Consider:

- In order to answer this question accurately and completely, you must be familiar with the goals stated in the funded grant. **Goals** convey the general direction or overall purpose for which funding is requested. **Objectives** are the measurable changes that you expect will result from operation of the programs. Objectives help to determine whether the organization is on the right path to achieving its goals.
- If you are reporting on a funded grant that used the Common Grant Application (CGA), you may find it useful to refer to your original answers to Question 2, Question 3, and Question 4.
- A brief recap of the goals is appropriate, along with short narrative descriptions of the progress made toward meeting those goals.
- Regardless of the amount of progress made toward goals or the level of success of the program, be honest and accurate in the descriptions, and be clear and succinct in your wording.
- It is possible that things did not go as planned.
 - For additional information about this topic, please refer to the earlier section of the User's Guide called "Practices of Good Report Writing."
 - If the goals and objectives changed from the time you received funding and you have not already reported those changes to the grantmaker, you can address the changes – and why you made them – here.
 - It is not necessarily a bad thing if your goals changed. There may be extraneous circumstances that led you to make an intentional change – here is the place to explain what drove factors drove the changes in your organization's goals. If your organization has made significant changes, however, such changes should be communicated to the grantmaker when the changes are being made, not solely in the final report.
- The second part of the question will, of course, vary for every organization. Each funded grant is a unique partnership with an individual grantmaker. Keep in mind what your organization



agreed to accomplish with this grant funding and discuss evaluation results as related specifically to this grant. For example, your organization may offer many different programs/services and you were provided grant funding for one specific program. In your answer to Question 1(b), discuss only the evaluation results for that program. This is not the time to discuss evaluation results for other programs. If, however, you received a general operating grant *and* outlined specific goals for multiple programs in the funded grant, you will want to address evaluation results for all programs.

- Remember, at this stage, the grantmaker is simply looking for information about evaluation results. It is likely that your organization has already described its philosophy about evaluation, the tool(s) used, etc., in the original proposal. Here in the report, stay focused on the bottom line and discuss the results of your efforts related to the funded grant.
- Note that your organization is also asked to provide a complete copy of the results or findings in Attachment 3: Evaluation Results. In Question 1(b) simply summarize the results related to the funded grant.
- For additional information about evaluation, please refer to the User's Guide that accompanies the CGA. There is detailed information available in that document related to goals, objectives, evaluation, etc. It can be found at www.coloradocommongrantforms.org/nonprofits/CGA_Users-Guide.pdf. The CGR was not designed to serve as an evaluative tool. Instead, it was designed to be a tool that your organization can use to communicate information about its evaluative practices and results.

QUESTION 2 – SUCCESSES AND CHALLENGES.

Describe the significant success and challenges the organization experienced related to the funded grant.

Rationale

This question provides an opportunity to share your accomplishments in the grant period, and also to discuss about any expected or unexpected obstacles encountered. The grantmaker is interested in gaining a more complete appreciation for the organization's reality.

Tips and Things to Consider:

- In the response to Question 2, describe what occurred in the past – successes and challenges – and your response to them during the time period of the grant. (Please note: Question 3 is where you have the chance to describe what will be done in the future.)



- Review the submitted grant proposal to refresh your memory about what your organization requested and what you have previously shared with the grantmaker in writing. Also, consider that the grant application and the approved grant may be slightly different because the grantmaker requested changes, only funded a portion of a proposal, etc. Be sure that your organization is reporting on the approved grant.
 - Consider any interactions you have had with your grantmaker prior to or during the grant period. Your grantmaker may have expressed interest in or concern about specific area(s) of your programs, evaluation, or operations. If so, it is a good idea to consider those area(s) when responding to this question.
 - This question specifically asks about successes and challenges within the context of the funded grant. If the grant was a program/project or capital request, it is possible that you have also had successes or challenges you would like to share that have occurred outside of the grant itself. If that is the case, you can share those in response to Question 4.
 - “Challenges” may be factors within your control or outside of your control. Perhaps something that you had not foreseen changed throughout the grant period. Thinking about internal and external factors can help enrich your answer to this question.
 - This is an opportunity to proactively share information about obstacles your organization has encountered. Grantmakers understand that organizations encounter challenges regularly and appreciate your honesty. Again, this is not a marketing piece but rather a report on your activities. You do not need to gloss over the challenges.
 - This is not the place to share what you have learned from your success or challenges – that information belongs in the response to the next question.
-

QUESTION 3 – LESSONS LEARNED.

Describe what the organization learned based upon the results, successes, and challenges reported in Question 1 and 2. Address programmatic, evaluative, or organizational changes that will be made based on these lessons learned.

Rationale

The purpose of this question is to provide an opportunity to share what was learned from your organization’s successes and/or challenges while executing the goals stated in the funded grant. This response should include actions taken, adjustments made, or plans to make changes based on lessons learned. Your answers to this question will help the grantmaker understand how your organization learns from and adapts to challenges and successes.



Tips and Things to Consider:

- In responding to this question, describe what your organization learned and, perhaps even more importantly, tell the reader what your organization is going to do with that knowledge. This is different than Questions 1 and 2: the answer to Question 1 will be about progress toward goals, and the answer to Question 2 will highlight the successes and challenges you have encountered. While questions 1 and 2 focus on what has occurred, Question 3 looks to the future.
 - Adaptability and the ability to learn from an organization's past performance and activities are considered nonprofit best practices. The process of taking stock, reflecting, assessing/evaluating, and then learning and adapting is a key characteristic of many successful organizations. This question provides an opportunity for your organization to communicate to the grantmaker how your organization learns from and adapts to successes, challenges, and obstacles.
 - If you are reporting on a funded grant that used the CGA, you may find it useful to refer to the original answers to Questions 5 through 10. While your responses may include programmatic lessons learned, this is also a place to share what the organization has learned or changed in other areas, such as evaluation, collaboration, inclusiveness, governance, staff or volunteers, or planning. Remember to keep your answers focused on information that is relevant to the funded grant.
 - Focus on the lessons learned that have the greatest potential impact for the organization moving forward.
 - In dynamic organizations, things happen in ways that were not planned or anticipated. Even the best plans can be derailed by unexpected circumstances. Openly discuss what may have contributed to the challenges encountered by your organization. If challenges occurred with this specific grant, this is an opportunity to address how your organization responded to them, and describe what steps will be taken to prevent similar circumstances in the future.
 - If pertinent, describe ways the organization has used the actual evaluation findings (summarized in Question 1) to make program improvements, demonstrate accountability and/or program effectiveness, and communicate with stakeholders and other members of the community. Depending on what type of request was funded, lessons learned may demonstrate changes in an individual, a community, a system, an institutions, or public policy.
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QUESTION 4 – ADDITIONAL INFORMATION.

Share anything else that happened during the grant period that impacted the organization, either positively or negatively.

Rationale

This question provides an opportunity to share additional information that the nonprofit was not able to share by answering the first three questions of the CGR. Again, the grantmaker is interested in gaining insight into the realities the organization is facing. This is your opportunity to provide important information to help a grantmaker have a more complete picture of your organization. Additionally, this is an opportunity to communicate information that does not relate to the funded grant but would be helpful for the grantmaker to know.

Tips and Things to Consider:

- The CGR is used by a broad range of grantmakers and reporting organizations. Because of this, some organizations may have other information to include that does not fit elsewhere in the CRG. If there is something pertinent to the report that has not been included in the responses to the other questions, and you believe it will strengthen the report, include it here.
- If anything major occurred that impacted the organization, whether it is directly related to the original grant proposal or not, be sure to share that information here.
- Questions to think about while responding:
 - Review the original grant application. Based on the information that was included in the grant application, has the organization experienced notable changes? For example, have there been fundamental changes in the organizational structure, leadership, programs, or focus?
 - Has the organization been recognized for its work or has it received new support that has impacted or could impact programming?
 - Has the organization redefined its organizational goals? If so, why and how?
- This is also the place to address any issues that the grantmaker may have originally raised with your organization. Refer to the grant contract/letter, Memorandum of Understanding, and/or other correspondence from the grantmaker that may have outlined expectations that should be addressed here.
- If there have been any changes to the organization's federal tax-exempt status, please explain those changes here.
- If you find yourself making up stuff or coming up with “filler” to have something to write in response to this question – do not feel compelled to fill the space! Just write, “Not applicable.” Your grantmaker is not interested in reading fluff.



* * * ATTACHMENTS * * *

Instructions:

Submit the following attachments along with the narrative report. Label each attachment. Please note that you may be providing financial statements for more than one year to cover the funded grant period. It is generally understood that the fiscal year(s) of the grantmaker, grant recipient, and grant period may not be in alignment. For further clarification on any of these items, please refer to the CGR User's Guide or contact the grantmaker directly.

1. FINANCIAL STATEMENTS.

- (a) For all grants, submit your organization's Statement of Financial Position (Balance Sheet) and Statement of Activities (Income and Expense Statement) for the years(s) in which the grant was used.
- (b) If reporting on a specific program/capital project, also submit income and expenditure information compared to the approved budget for the program/capital project.
- (c) If the grantmaker has requested the following information (for example, by indicating in their report guidelines or by checking the boxes below) also submit:
 - Audit for most recent fiscal year completed
 - IRS Form 990 for most recent fiscal year completed

Rationale

Nonprofits have an obligation to act as responsible stewards in managing their financial resources. They must comply with all legal financial requirements and should adhere to sound accounting principles that produce reliable financial information, ensure fiscal responsibility, and build public trust. Nonprofits should use financial resources to accomplish their missions in an effective and efficient manner, and should establish clear policies and practices to regularly monitor how funds are used.

The two major purposes of financial statements are to report the financial activity and position of the organization, and to identify the costs of the organization's principal programs and functions.

Tips and Things to Consider:

- The phrase "financial statements" refers to two separate documents: the Statement of Financial Position (Balance Sheet) and the Statement of Activities (Income and Expense Statement). Unless otherwise noted by the grantmaker, it is expected that you will submit these documents for any funded grant (general operating or program/project). If you are reporting on a program/project grant, it is expected that your organization will *also* submit information about that program/project. Many grantmakers prefer for this information to be provided in a budget-to-actual format. The actual expenses should be shown in comparison to the approved budget for the funded grant.



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- It is expected that the statements will be prepared according to generally accepted accounting principles (GAAP). Financial statements must be prepared at least annually at the end of the fiscal year, but ideally are prepared on a monthly basis.
- The financial statements required at this time will show the grantmaker how the grant funding was spent. Typically, grantmakers use this information as part of their due diligence in evaluating the impact of their own work. Please refer to the Practices of Good Report Writing section earlier in this User's Guide for more information about what grantmakers do with the information provided in grant reports.
- Your organization is not being asked to provide a budget at this time but a budget-to-actual report. Budgets are planning documents. Once you have prepared the budget, it has been approved by the board, and it has been put into operation, the focus switches to comparison. During this phase, which continues throughout the grant period, your organization should compare actual expenditures to budget estimates at least once a month.
- It is typical to have variances between your original budget and the actual expenses incurred. Variances, either positive or negative, tell you that something unexpected happened. The first step is to understand what has changed. Then your organization can develop a plan to correct the problem or shift resources from an area of surplus to an area of need. Please see the tips for the Accompanying Narrative attachment (next page) for more information on how to explain variances in a narrative format.
- Typically, grantmakers will accept a budget-to-actual report based on existing report formats set up in your accounting software program. You may need to send reports that cover two different fiscal years in order to capture the grant period. Occasionally, a grantmaker may require you to create a specific report that covers the exact grant period. Please check with your grantmaker and/or refer to your grant contract before completing this section of the CGR.
- Make sure that all documents are clearly labeled with the name of the organization and the time period covered by each document.
- Some grantmakers require additional information and may have asked for an audit or IRS Form 990. Regarding audits, make sure you send a complete copy of the audit document. The notes and management letter are integral parts of an audit and should be included. They provide the reader with important information not available in the actual financial statements. For example, these notes and the management letter may explain how depreciation is determined, the terms of any loans, how bad debt allowances are handled, if any lawsuits are pending against the organization, etc. An audit is not complete without the accompanying notes. Leaving them out may give the appearance that an organization is not being forthcoming. Be prepared to answer questions about financial reports. If a non-finance staff member is submitting reports, s/he should understand what they are conveying in order to respond to any questions asked about them.



- The requirements related to financial statements for school districts and government entities may be different. Again, check with each grantmaker for specific financial reporting requirements.

2. ACCOMPANYING NARRATIVE (if applicable)

- (a) Explain any significant changes in the organization's financial position since the grant was awarded.
- (b) If all funding was not expended during the grant period, explain why.
- (c) For program and capital grants, explain any major variances between the approved budget and the final financial statements being submitted with this report.

Rationale

The rationale described for the Financial Attachments (above) applies to this section as well. Additionally, this question provides an opportunity to share information that might not be immediately obvious to the reader. The numbers themselves do not provide an explanation of a variance or a special circumstance for your organization. Use this section to clarify changes in the actual expenses from the original, approved budget.

Tips and Things to Consider:

- You are not required to complete this section; however, it is strongly encouraged that you add explanatory notes to accompany any of the financial attachments if there are items that may raise a red flag for someone unfamiliar with the organization. It is better to provide an explanation than to have grantmakers draw their own conclusions.
- The question references "significant" changes. This amount will vary for every organization the same way it does when describing "major" donors. For some organizations a significant variance may be \$100; for others it may be \$10,000. Use your best judgment when deciding what items to address, but keep in mind that it is probably better to provide more information than less information.
- It is sometimes helpful to think about your board of directors when working on this section. At your regular board meetings and/or during planning sessions, you are sometimes asked to explain variances, etc. This is similar except that you are explaining in written format.
- Try to anticipate from an outsider's point of view what might not make sense.
- The question also asks you to explain why, if applicable, all funding was not expended during the grant period. It is likely you have already been in contact with the grantmaker about this situation. Perhaps you have even asked for an extension or modification of the grant. Regardless, make sure you explain the situation here to eliminate any confusion or concern.



- Explanatory notes can be included directly on the financial statement documents or on a separate piece of paper.

3. EVALUATION RESULTS

If available, provide the organization's most recent evaluation results or findings, relevant to the funded grant. Note: providing this attachment does not take the place of answering Question 1(b) in the narrative section.

Rationale

Best practices indicate that the strongest organizations evaluate their work and analyze those results to improve programs and practices. If evaluation results or findings that are relevant to the funded grant are available, this information will add to the grantmaker's understanding of the summary description provided in Question 1b and of the organization overall. The submission of this document is intended to further describe the answer to Question 1(b).

Tips and Things to Consider:

- This is not an optional attachment. If evaluation findings or results are available, attach them with the report. If, however, evaluation results do not exist, then this attachment is not applicable to your organization. In this case, a note should be made indicating that evaluation results are not available.
- For further clarification, it is understood that for some organizations, the answer to Question 1b may be the only information available related to outcomes and evaluation results. If there is any confusion about what to submit with the report, please contact the individual grantmaker.
- Once again, remember to include only those results relevant to the grant that was funded. Send results that cover the appropriate time period as well as the work that was funded.
- Often, an "executive summary" of findings is acceptable; however, you should check with each grantmaker to be clear about what is expected. *Do not include "raw" data* (e.g., completed surveys) that has not been analyzed, written-up, and formatted for easy reading.
- Appropriate documents include internal evaluation results as well as those conducted by a third-party or external evaluator.
- This is an appropriate place to include charts, graphs, or other visuals that may describe the results accomplished during the grant period.



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Co-Chair of the CGR Revision: Christiano Sosa, The Denver Foundation

Project Coordinator: Lauren Price, Community Resource Center

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