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### Capacity-Building News to Use for Wiregrass Organizations



#### **HOT TOPIC** **Can An Organization Have Too Much Money?**

During a recent CapCONNECT workshop, as participants were working with their financial statements, an interesting question was posed to the presenter. If an organization's financial statement indicates a very healthy reserve, how might that affect a funder's decision to award a grant? As the presenter responded, that is a difficult question to answer. The old adage is very true here: *If you know one foundation, you know one foundation.* But I would like to answer that question from the viewpoint of Wiregrass Foundation.

As part of our due-diligence, we *always* look at the financial statements of prospective grantees. We access your Form 990's online, or we ask that the information be provided. The larger the grant request, the more in-depth our review will be. Part of that is related to our concern about "tipping over" an organization—discussed in a previous Newsletter. But we also are looking at the financial health of your organization in relationship to the size of the project you are proposing and the amount of funds being requested. In general, a healthy bottom line is perceived by WF as a good thing, reflective of a strong organization. So a solid reserve would not lead us to think you do not really need the funds. Our grantmaking is not needs-based, it is outcomes-based. Other funders may see things differently. But in working with WF, there is no need to use legal balance sheet strategies to disguise your assets. We want to invest our funds with partners who demonstrate strong financial management. At the same time, a modest reserve would not lead us to reject an application. We know that financial statements do not tell the whole story. We may ask more questions if the grant request is large and a non-profit's financial status does not seem strong. In short--there are no absolutes. For WF it's more about balance. Is the size of the grant reasonable given the fiscal experience of your organization, the outcomes you plan to achieve, and the methods you have identified to achieve them?

#### **GRANTS RECENTLY AWARDED** **(April Meeting)**

Southeast Alabama Regional Council on Aging-  
Diabetes Prevention Program  
\$20,892

Public Affairs Research Council of Alabama-  
Bright Key Assessment  
\$75,000

\$28,870 in Microgrants to seven organizations

Work continues on the Dothan Regional Public Safety  
Training Center design process

Ongoing support for Foundation programs:  
Bright Key and CapCONNECT



#### **When Funders Say, "No."**

It always is difficult to receive a denial notice from a funder. Some grantwriters say that they are thankful not to immediately know the results of a grant submittal. After working and hoping so hard, an immediate rejection would be cruel. But veteran writers and organizations know that the time spent on proposal development is never wasted. The research and attention you put into that application can move your organizational strategy forward or prepare you to receive funding from another source. But why did that funder say, "No"? You might be surprised to know that much of the time it has nothing to do with the importance of the project or the quality of the application. Sometimes a proposal simply does not fit the current priority of the funder, or (unknown to you) your application has come in at a time in that funder's cycle when much of their annual allocation has already been committed. Some funders do not give any reasons. WF tries to provide some feedback because we want to build a relationship and hear more of your ideas. It is important to realize that rejection of an application does not mean the end of the partnership. In fact, if it starts a dialogue, it could be the beginning of one. Sooner or later, a project will resonate with WF. And those that do not fit us could be a perfect match for another funder.