



## FRONT PAGE

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



#### **HOT TOPIC** **Tipping Point**

Are you aware of what it means to be *tipped*? It has nothing to do with getting insider information or receiving a few dollars for excellent service. In fact, for nonprofits there is absolutely nothing positive about being *tipped*. It means a major change in your status as a publicly supported charity.

As a public charity, you must show the IRS that you received at least 1/3 of your annual support from public sources for the last four years. The actual formula—a public support test—is not that straightforward. For example, large gifts from single donors do not count as public support the same way that smaller donations do. If you are filing a 990 each year, you or your accountant will detail your public support in Schedule A. But many nonprofits doing their own returns may not understand the formula. And, if you file an E-postcard for the IRS, you may not be thinking about your *tipping point* at all.

Why does this matter? There are many ramifications to being *tipped*. A partial list includes—ineligibility for grants from many public sources and private foundations (including WF), excise taxes, and added regulations governing your revenue and reporting. In addition, your donors would be more restricted in the portions of their gifts they may claim for tax deductions. What would that do to your annual fundraising?

There also are problems for grantmakers who *tip you over*. When you send a grant application to WF, we look at financial statements you provide and review published 990's. If we have a concern, we ask for additional information. And if we believe your grant request is beyond allowable limits, we will reject it outright to keep you (and us) out of trouble. But while we always conduct due diligence and do not want any organization to be *tipped* because of a grant, we cannot possibly know your financial situation as well as you do. Maintaining your charitable status is something only you can do.

Be aware of your annual level of public support, be sure it is accurately calculated, and avoid asking for or accepting donations that can *tip* your organization. For general info on this topic: <http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Advance-Ruling-Process-Elimination-Public-Support-Test>

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

Alfred Saliba Family Services Center--HIPPY  
\$86,004

Southeast Alabama Child Advocacy Center—20% match for federal VOCA and Family Violence Grants  
\$62,427

Wiregrass Habitat for Humanity—Capacity Build Challenge (2 homes—1 Dothan; 1 Ozark)  
\$70,000

PARCA—Data Analysis for School Test Scores  
\$25,000

\$165,000 purchase of DecisionEd Performance Management Software System for Dothan City Schools

\$31,500 in Microgrants to eight organizations



#### **Capacity Building Initiative is About to Launch!**

The Capacity Building Initiative is still one of the hot topics from the Foundation, and will be officially launched Fall 2015! This program is

developing into an exciting opportunity for our grantees, and the Foundation would like to thank each of the organizations for their participation and enthusiasm! The WF Board has approved funding for three workshops as part of our program of work for 2015-2016, and plans are underway to identify well-known presenters nationwide to bring their expertise to the Wiregrass. Topics for these workshops were identified by the participating organizations and include for year-1: Connecting Mission and Vision to Programming; Board and Leadership Development; and, Impact and Program Evaluation.

The 21 organizations that completed the preliminary activities will comprise *Cohort 1*, and they will begin their first workshop in October. This workshop will focus on acquiring a clear sense of organizational mission, vision, and values. Work will include strengthening the ability to articulate mission and vision, increasing aptitude for internal and external communication, and strengthening alignment with program development and delivery.

More exciting news on the horizon! Keep watching!

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