M. B. & Edna Zale Foundation

Grant Inquiries – Request for Additional Information

FREQUENTLY ASKED QUESTIONS

1. How do we apply?

We are no longer accepting Letters of Inquiry via email or mail. Please apply through our grants portal, which is set up through Foundant. The first step is to answer a few questions and submit a 600-word Letter of Inquiry (LOI)/Executive Summary by the deadline date that is listed on our website. We will review the LOI after the deadline date and let you know if you are invited to submit a full application. The application is also submitted through the portal.

2. What information should be included in our Letter of Inquiry/Executive Summary?

Your Letter of Inquiry also acts as your Executive Summary, so you don't have to re-write this twice. It is very important that you present your story clearly and concisely. Please keep it to a maximum of 600 words. We suggest that you consider the following elements in your summary:

- a brief description of the organization – *who* you are and *what* you do;
- *why* you do what you do - the *needs* and how you are addressing those needs;
- how the grant funds will be used, the expected *impact* and how that impact will be *measure or determined*;
- a specific dollar request;
- collaborations with other organizations;
- other major funding sources requested and/or received;
- other resources that are being employed, such as volunteers and in-kind donations;
- other community resources who may be addressing these needs; and
- most importantly – *why your organization is in the best position to address this need or to lead this project*.

3. What is an appropriate dollar amount for our grant proposal?

That is difficult to answer since it depends mainly on the size of your program or project. Generally, the Foundation is not interested in funding an entire program or project. We are more inclined to provide support if we see that the organization's directors and friends are committed first. We are fortunate to have an annual giving budget of about $1.4 million; however, that does limit our ability to provide meaningful support to very many organizations.

4. Will you fund general operating expenses?

We prefer grants to help an organization reach more people through the expansion of an existing program or through new programs. However, a portion of our grants budget is devoted to programs that provide food and programming to hungry and homeless individuals and families. For these organizations, we do provide general operating support.

Generally, we prefer that your proposal address your greatest need. If the greatest need is for annual operating expenses, we will consider a proposal in that regard. We will also consider proposals for "capacity building", projects to strengthen the

organization to improve your effectiveness in programming, communications, or fund raising.   Support for the start-up of a new organization is rare.

5. Do you prefer to fund capital projects or programming expenses?
We have funded both. But, again, we prefer that you determine your highest priority. As noted above, we prefer projects where our grants can make a real impact.

6. We are a very small/young organization and we do not have <u>audited financial statements</u>. Can we still apply for a grant?

Yes, under certain circumstances we will consider an organization without audited financial statements. If your organization has expected annual gross receipts (as defined by the instructions for Form 990) of <u>less than $500,000</u>, and you do not have audited financial statements – you may apply; however, if approved, grants may be limited to no more than $5,000 per calendar year.

If your organization has expected annual gross receipts (as defined by the instructions for Form 990) of <u>$500,000 or greater</u>, and you <u>do not have audited financial statements – you are **not** eligible to receive grants from the M. B. & Edna Zale Foundation</u>.

If your organization is in the start-up phase (first one to two years of operating), we understand that audited statements are unlikely, and we will consider these requests on a case-by-case basis.

All organizations seeking support from the M.B. & Edna Zale Foundation must demonstrate sound management and fiscal responsibility.

7. Our CPA firm prepares an annual "review" or "compilation" of our financial statements. Does this meet the requirements for an audit?
No. An audit must be prepared by an individual or firm not associated with your governing board (independent) and must be prepared under the standards specified by the AICPA, including an opinion statement.

8. Are there areas in which you do not make grants?
Yes.   Generally, the Foundation does not make grants to construct churches, temples, or synagogues; to underwrite fundraising events, professional conferences, symposia, performances or competition expenses; or toward general sustentation drives. Grants generally are not made to establish or to add to endowments. Grant funds are not available to support deficit financing or to repay debts. Grants are not made to individuals.

9. Will you do a site visit? Should we invite your Board members for a visit?
The Foundation staff will determine the need for a site visit. Any lobbying of the Foundation's Board or Grant Committees by grant-seekers is discouraged.   The Foundation reserves the right to disqualify a proposal from an organization on these grounds.

10. Do you fund scholarships?
Yes, but not directly. As noted earlier, we do not make grants directly to individuals. However, over the years, we have provided funds to scholarship-granting organizations (colleges and universities) for certain programs.

11. Will you provide a grant to our organization in (City, State)?

As noted in our Grant Guidelines, we are a family foundation, and our grant-making is limited primarily to the communities where our families live or have interests. If you are located outside of these areas, it is unlikely that we will be able to consider your request.

Important note: We have implemented some critical changes to our funding priorities. We have moved to a model where the engagement of Foundation family members in the work or cause of an organization is an overarching requirement for funding. That said, regardless of geography, if none of our family members are involved with your organization, funding is unlikely.

12. Do you encourage multi-year requests?
While we would like to support multi-year grants, our available budget for these is limited. Requests for multi-year grants that exceed two years are unlikely to be approved. At this stage, one-year requests are ideal.

13. How will we know if you received the additional materials and extra information that you requested?
Once you have uploaded these materials and additional information into the grant portal, you will receive an email confirming receipt. Please be sure to submit the information by the date requested on the grant portal.

14. We applied for a grant, and we were turned down. Can you tell us why?
We receive hundreds of grant applications each year from many qualified and well-regarded organizations providing needed services in their communities. The competition for grant funds is intense and our resources are limited.

Some common reasons a request is declined:
- Your organization's budget is large, e.g., greater than $5 million. We favor smaller organizations and projects where our grants can make a real impact.
- A large portion of your budget is supported by government grants – local, state, or federal. We prefer organizations that are primarily supported by individuals and organizations that recognize the value of your programming.
- The nature of your request was outside of our areas of interest (refer to our Grant Guidelines).
- Your organization and programming are located outside of our geographic or Foundation family's areas of interests.
- Your operating budget is more than $500,000 and you do not have an independent audit.
- Your request was for initial or "start-up" funding for a new organization. We rarely fund new organizations unless there is a strong and compelling case and there are no existing organizations addressing the needs.
- Your governing board appears weak. We prefer organizations with an active governing board in terms of engagement and fundraising. We also like to see a large base of volunteers and others who believe in and support the organization.
- We have previously funded your organization, and (a) it is too soon for another application, or (b) we simply cannot provide ongoing support for every organization. We prefer to provide funding to assist with a short-term project or to assist the organization with building capacity.

Our Board looks for programs and projects that best meet the areas of interest outlined in our Grant Guidelines. We encourage you to review the nature and timing of your request and to consider coming back to us with another proposal at a later

date. If, however, this is the second or third time that your organization has not been funded, please give careful consideration before reapplying.

17.   When can we reapply?
If your organization's grant proposal is not approved for funding, we request that you wait at least two years before submitting another proposal. For example, if your proposal is submitted for our spring cycle of year one, we will ask that you not reapply until our spring cycle for year three. If your organization has received funding in the past, we usually request that you wait two years before submitting an additional proposal. For example, if your most recent proposal was approved for funding in our spring cycle of year one, we will ask that you not reapply until our spring cycle for year three. These instructions are usually provided with our funding letter.

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