

M. B. & Edna Zale Foundation

FAQs - Frequently Asked Questions

VERY 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, if none of our family members are involved with your organization, funding is unlikely, especially if you have not been funded by us in the past.

If you meet this requirement, we prefer a simple **Letter of Inquiry** for your initial contact. This should be no more than a two-page letter plus a copy of your most recent tax-exempt determination letter from the I.R.S. – your 501(c)(3) letter.

1. Will you accept a Letter of Inquiry by email?

Yes, in fact, email is preferred. Please send it to mail@zalefoundation.org to arrive no later than the close of business (5 p.m. CST) on the deadline posted on our website (Guidelines tab – How to Apply). **Note:** Whether inquiring by email or regular mail, please make sure your letter includes: the mailing address of the organization, a contact name for follow-up or questions, a phone number, and an email address.

2. How will we know if you received our Letter of Inquiry?

We try to acknowledge receipt of every inquiry by email, postcard, or letter within 30 days.

3. What information should be included in our Letter of Inquiry?

We suggest that you consider the following elements in your letter:

- 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;
- a specific dollar request;
- how the grant funds will be used, the expected impact and how that impact will be measured or determined;
- 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.

4. Should we include additional materials with our letter – such as annual reports, audits, tax returns, budgets, a list of our directors, etc.?

No, not at this time. After we review your Letter of Inquiry, we may respond by letter or email with a detailed request for additional information.

5. What is an appropriate dollar amount for our request?

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 \$1.3 million; however, that does limit our ability to provide meaningful support to very many organizations.

6. 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 very rare.

7. Do you prefer to fund capital projects or programming expenses?

We have funded both. But, we prefer that you determine your highest priority. As noted above and in our Mission Statement, we prefer projects where our grants can make a positive catalytic change in solving social problems.

8. We are a very small/young organization and we do not have audited financial statements. 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 less than \$250,000, and you do not have audited financial statements – you may apply; however, if approved, grants may be limited to no more than \$2,500 per calendar year.

If your organization has expected annual gross receipts (as defined by the instructions for Form 990) of \$250,000 or greater, and you do not have audited financial statements – you are **not** eligible to receive grants from the M. B. & Edna Zale Foundation.

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

9. 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.

10. 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.

11. 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.

12. 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.

13. 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, namely, Dallas (Dallas County), Texas; Palm Beach County, Florida; and New York, New York, including parts of Westchester and Nassau Counties and the North Shore of Long Island. If you are located outside of these areas, it is highly unlikely that we will be able to consider your request.

As noted in the beginning of these FAQs, regardless of geography, if none of our family members are engaged with your organization, funding is unlikely.

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 and see question #10).
- Your organization and programming are located outside of our geographic or our Foundation family's areas of interests (see question #13).
- Your operating budget is more than \$250,000 and you do not have an independent audit (see question #8).
- 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 meeting 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.

15. 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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