



The Role of the “Friendly Skeptic.”

How one client’s concerns led to a careful review of a grant request.

The following account is a true story based on a client’s experience with Excellence in Giving. The names have been changed to protect anonymity.

As the CEO of a successful company, Roland’s giving had grown to a significant level. Many national and local charities considered him a major contributor and solicited him regularly for grants. While he was generous and enjoyed supporting these organizations, Roland wanted confidence that the funds he invested would be used effectively. He desired the confidence that the organizations he supported were having significant impact.

One non-profit in particular—an organization serving the urban poor—was concerning him. Roland had known the founder and supported the organization since its inception, but he felt very hesitant after he received their latest request for funding. He was already personally providing for the director and had been giving grants to the charity’s general fund. The organization was seeking funds to expand its regional services and to create a national platform to promote its model -- an intriguing but ambitious goal. Roland had unanswered questions: Did the organization have a credible plan to achieve its desired growth? Was the leadership capable of managing such growth? What serious threats would face the management team?

These were important questions that Roland did not have the time to answer. He needed confidence that the funding he provided to the organization would accomplish the proposed outcomes. After hearing about Excellence in Giving’s due diligence services to families seeking greater confidence in their giving decisions, Roland engaged our team to provide him with an objective analysis and answers to his questions.

METHODOLOGY

Through the use of proprietary assessment tools and by conducting an on-site visit, Excellence in Giving performed a comprehensive analysis of the organization’s strengths and weaknesses. The review included:

- An analysis of audited and internal financial statements and budgets
- A review of board minutes and a meeting with selected board members
- Impact and Organizational Assessment of five areas of organizational operation and effectiveness.
- An on-site visit and interview with the organization’s leadership team.

KEY FINDINGS

It was evident that the organization was having a substantial impact in their community; however, Excellence in Giving discovered several enterprise-threatening issues facing the organization and seriously questioned its ability to accomplish the proposed growth.

First, the organization had a volatile cash flow and inadequate financial reserves to meet operating expenses. Its major funding sources included government agencies. Any delays in receiving these grants would have serious effects on the cash flow.

A second major concern was the workload of the executive director. Due to the financial crisis, his time was consumed managing grant requests and seeking additional funding. While he had delegated the management of day-to-day operations to other staff, the potential for burn-out and exhaustion was high.

Excellence in Giving also evaluated the organization's bold vision to expand their services to other communities. The team discovered that there was no business plan in place that defined the strategy, process for expansion, or the organizational structure needed to manage it.

CLIENT BENEFITS

After a full review, Excellence in Giving provided Roland with a five-page Organization Evaluation describing these and other "investor concerns." Roland concurred with Excellence in Giving's analysis and decided to withhold the proposed increase in his funding until the organization's leadership had addressed these important issues.

The engagement with Excellence in Giving had given Roland a number of significant benefits:

- Answers to the questions that he did not have the time to investigate himself.
- Knowledge to make an informed decision.
- Ability to direct those funds to higher-impact organizations.

EPILOGUE

Within 30 days of the report, several events validated the concerns Excellence in Giving detailed in its report. The executive director revealed in a phone conversation that:

- Homeland Security had defaulted on a \$50,000 grant.
- \$260,000 HUD grant was being cut in half.
- A local medical center announced that their grant funding would be delayed 3-5 months.

The executive director was quite concerned about his organization's ability to meet its existing financial obligations over the next four months. Roland shared the report with him and he agreed with the cited concerns. The executive director was thankful for the analysis performed by Excellence in Giving. He indicated that the report would help the board rally to meet the current crisis.

CONCLUDING THOUGHTS

Like other Excellence in Giving clients, Roland is considered a generous person who desires to confidently put his resources to work in high-impact organizations. Using Excellence in Giving's services allowed Roland to engage both his head and his heart in the giving decision. As a result, Roland is a better steward of his charitable resources and has more joy in his generosity.

King Solomon writes: just as one man gives freely and gains even more, another grasps firmly and comes to poverty. Refreshing others through generosity brings a rich and unspeakable joy.

©2003 Excellence in Giving LLC. All Rights Reserved. The Excellence in Giving logo is a trademark of Excellence in Giving LLC.



Client Services

info@excellenceingiving.com

Partnership Opportunities

partners@excellenceingiving.com

Excellence in Giving LLC

512 S. Tejon St. Suite 200, Colorado Springs, CO 80903 | t. 719.329.1515 | www.excellenceingiving.com