



Sharing the Need for Reserves

The Cooper, Bernard and Audre Rapoport and Waco Foundations have for some time, been concerned about the financial health and sustainability of a number of the nonprofits our community holds dear. In an effort to help address this issue, we are expanding our efforts to build capacity in the area of fund development by encouraging the establishment of operating reserves and endowments. To generate awareness about this issue within the local nonprofit sector, we have created The Case for Reserves, a communications guideline to help start the conversation about financial reserves. The three foundations, along with a host of nonprofits, join us in support for this initiative and for the building of reserves and endowments.

Collectively, we encourage you to share the piece with others and...

- Discuss this issue with your board and develop an organizational position and policy about reserves.
- If you have already taken a stance in favor of reserves, share the news with your donors and volunteers (we have draft talking points below for your guidance).
- Share your story (challenges and successes) with us so we can properly gauge local nonprofit need for support in this regard. Connect with Waco Foundation Capacity Building Staff members Nicole Wynter, Director of Grantmaking & Capacity Building (nwynter@wacofoundation.org) or Rachel Hobbs, Planned Giving Coordinator (rhobbs@wacofoundation.org).

Talking Points

- The state of the nonprofit sector is changing. We continue to see the following:
 - A decline in government funding,
 - An increase in the number of nonprofits entering the field and seeking support,
 - Continual fluctuations in the economy, and
 - Shifts in the funding practices, activities and expectations of donors (individuals and institutions).
- This increased level of competition for charitable dollars means the act to secure funding will continue to be a challenge in the future. Therefore, we need to be proactive about developing a strategy and sources of funding to sustain our work both today and in the future.
- Operating reserves, and even more so endowments, provide us with an opportunity to ensure that the missions you have contributed to and worked so hard to put in place, endure.
- Each of us understands the importance of planning for our own family's future. The fact that we are a nonprofit, does not make the need for prudence any less important. There are individuals and families in this community who rely on us for support. Until we, as a community, are able to develop and implement a sustainable solution to deal with the issue of **[insert mission or challenge]**, our services will be needed. We cannot afford to put our program participants or work in jeopardy. Please join us in ensuring our work continues.