

# Grants Management Lunch and Learn Series

## *When to Say No to a Grant*

On behalf of the State of New Jersey  
Department of the Treasury, Grants Management Office  
June 9, 2026

# Learning Goals

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**By the end of this session, participants will be able to:**

- Evaluate grants using strategic, financial, operational, and mission-based criteria.
- Assess organizational readiness before pursuing funding
- Apply a practical framework for making informed “go/no-go” grant decisions
- Communicate grant declinations professionally and strategically

# Common Reasons Organizations Chase Every Opportunity

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- Pressure to diversify funding
- Fear of missing out
- Leadership expectations
- Revenue instability
- Competition within the sector
- Belief that more funding is always better
- Desire to please funders or stakeholders



# Risks of Saying Yes to the Wrong Grant

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## Mission Drift

- Programs begin serving funder priorities instead of organizational priorities

# Risks of Saying Yes to the Wrong Grant

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## Financial Drift

- Insufficient indirect cost recovery
- Matching requirements
- Unfunded staffing needs
- Cash flow issues
- Sustainability challenges after grant period ends

# Risks of Saying Yes to the Wrong Grant

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## Operational Drift

- Staff overload
- Increased reporting burden
- Compliance challenges
- Technology or infrastructure limitations

# Risks of Saying Yes to the Wrong Grant

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## Reputational Drift

- Underperformance
- Missed deliverables
- Audit findings
- Damaged funder relationships

# 7 Signs You Should Say NO to a Grant

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## Sign #1: The Opportunity Does Not Align with Your Mission

### Questions to Ask

- Does this align with our strategic plan?
- Would we pursue this work without a grant?
- Does this strengthen or dilute our mission

# 7 Signs You Should Say NO to a Grant

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## Sign #2: You Lack Organizational Capacity

### Warning Indicators

- Existing staff are already overwhelmed
- No subject matter expertise internally
- Limited grants management infrastructure
- Insufficient technology or systems
- No dedicated compliance support



# 7 Signs You Should Say NO to a Grant

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## Sign #3: The Budget Does Not Work

### Red Flags

- Indirect costs are capped too low
- Matching requirements are unrealistic
- Reimbursement-only funding creates cash flow risk
- Administrative burden exceeds funding value
- Sustainability costs are not addressed



# 7 Signs You Should Say NO to a Grant

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## Sign #4: The Timeline Is Unrealistic

### Examples

- Proposal turnaround is too short
- Implementation expectations are immediate
- Reporting deadlines are excessive
- Procurement or hiring timelines are impossible

# 7 Signs You Should Say NO to a Grant

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## Sign #5: The Funder Expectations Are Unclear or Excessive

### Warning Signs

- Vague deliverables
- Frequent scope changes
- Excessive data collection requirements
- High compliance complexity for small awards
- Poor communication from the funder



# 7 Signs You Should Say NO to a Grant

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## Sign #6: Leadership Support is Weak

### Indicators

- Executive leadership is not engaged
- Program teams were not consulted
- Finance staff have concerns
- Key stakeholders oppose the project

# 7 Signs You Should Say NO to a Grant

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## Sign #7: The Grant Creates Long-Term Sustainability Problems

### Questions to Consider

- What happens after the funding ends?
- Can staff be maintained?
- Will participants expect continued services?
- Is there a long-term revenue strategy?

# Interactive Reflection Activity

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Think about a current or a recent funding opportunity and evaluate it against the 7 warning signs.

- Which warning sign appear most often in your organization?
- Which factor is hardest to discuss internally?
- What pressures make it difficult to say no?

# 4 Domain Assessment Model

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## DOMAIN

Mission Aligned

Financial Feasibility

Operational Capacity

Long-Term Sustainability

## KEY QUESTIONS

Does this support our strategic goals?

Can we afford to manage this grant successfully?

Do we have the staff and systems needed?

Will this strengthen or strain the organization long-term?



# Sample Go/No-Go Scoring Tool

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- Evaluation Criteria
- Mission Alignment
- Staff Capacity
- Financial Viability
- Leadership Support
- Compliance Readiness
- Sustainability Potential

## Rating Scale

1 = Significant Concern

2 = Moderate Concern

3 = Strong Alignment



# Go/No-Go Scoring Tool Interpretation

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15-18:	Strong Pursuit
10-14:	Proceed with Caution
10 and less:	Consider Declining

# Recommended Internal Process: Suggested Decision-Making Workflow

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1. Initial opportunity screening
2. Cross-departmental review
3. Budget feasibility assessment
4. Capacity discussion
5. Leadership approval
6. Final go/no-go decision



# Case Study Scenario

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A mid-sized nonprofit focused on youth workforce development discovers a new federal grant opportunity for regional mental health services. The award is large and prestigious, but:

- The organization has limited mental health expertise
- The grant requires a 20% match
- Reporting requirements are extensive
- The implementation timeline is only 45 days
- Leadership believes the grant could increase visibility



# Case Study Scenario

## Group Discussion Questions

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1. What are the potential benefits of pursuing this opportunity?
2. What risks do you identify?
3. Which warning signs are present?
4. Would you recommend a “go” or “no-go” decision?
5. What additional information would you need?



# Why Grant Declinations Matter

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- Declinations shape long-term relationships with applicants
- Opportunity to preserve goodwill and organizational reputation
- Transparency and professionalism build trust
- Every “no” can still strengthen future engagement



# Core Principles of Professional Declinations

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- Be timely and respectful
- Use clear, direct language without ambiguity
- Acknowledge the applicant's effort and mission
- Avoid overly detailed criticism or defensiveness
- Maintain consistency across communications



# Strategic Communication Approaches

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- Align messaging with foundation values and priorities
- Emphasize competitiveness of the process when appropriate
- Leave the door open selectively for future opportunities
- Differentiate between “not now” and “not a fit”
- Protect relationships with community partners and stakeholders



# Anatomy of an Effective Declination Letter

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- Appreciation/gratitude
- Decision statement
- Brief rationale or context
- Encouragement or next steps (if applicable)
- Professional closing

# Examples: Weak vs. Strong Messaging

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Side-by-side comparisons showing:

- Vague vs. transparent language
- Cold vs. relationship-centered tone
- Overly critical vs. constructive framing
- Examples of inclusive and mission-aligned phrasing



# When to Provide Feedback & When Not To

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- Situations where feedback is helpful
- Managing capacity and consistency
- Avoiding legal and reputational risk
- Setting boundaries around appeals and resubmissions



# Declinations as Relationship Management

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- Maintaining future applicant pipelines
- Encouraging continued engagement
- Offering alternative resources or opportunities when possible
- Turning declinations into stewardship opportunities

# Common Pitfalls to Avoid

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- Delayed responses
- Generic or impersonal messaging
- Overpromising future funding
- Inconsistent rationale across applicants
- Emotionally charged or overly detailed explanations

# Best Practices for Internal Alignment

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- Shared templates and communication standards
- Staff training and tone consistently
- Coordinating program and communications teams
- Documenting rationale for decisions

# Key Takeaways

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- Strategic funding decisions protect organizational health
- Capacity matters as much as opportunity
- A structured decision-making process improves outcomes
- Clear communication reflects organizational integrity
- Strategic messaging supports long-term partnership building
- A respectful “no” strengthen the philanthropic ecosystem

# What Will You Do Differently?

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- One thing you will stop doing?
- One thing you will start doing?
- One thing you will improve?

# Lunch and Learn Series

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**Next Offering:**

**“Grant Amendments, Extensions, and Budget Revisions”**

**July 7, 2026**

**12:00 p.m. – 1:00 p.m.**



# Are You Interested in Future Continuing Education Offerings?

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