

# Harrison County Community Foundation

## Supporting Organization

### Grant Making Policy and Procedures

#### Table of Contents

November 5, 2018

**GENERAL INFORMATION:** Pages 3-10

**ELIGIBILITY:** Pages 3-4

**OPEN GRANT “NO DEADLINE” CYCLE:** Page 4

**GEOGRAPHIC DISTRIBUTION:** Page 4

**GRANT CATEGORIES:** Page 5

**ARTS GRANTS:** Page 5

**FIELD OF INTEREST FUND ACCESS:** Page 5

**GRANTS FOR CAPITAL IMPROVEMENTS ON LEASED PROPERTY:** Page 5

**GRANTS TO PROVIDERS:** Page 5

**GRANTS TO SCHOOLS:** Pages 5-6

**GRANTS FOR REAL ESTATE PURCHASES:** Page 6

**GRANT APPLICATION CONTENT:** Page 7

**SIGNATURES:** Page 8

**LITIGATION:** Page 8

**APPLICATION ASSISTANCE:** Page 8

**GRANT APPLICATION SOLICITATION AND CONFLICT OF INTEREST:** Page 8

**GRANT APPLICATION ANNOUNCEMENTS:** Page 9

**GRANT AGREEMENT:** Page 9

**REPORTS:** Page 9

**DISTRIBUTION OF FUNDS:** Page 9

**GRANT PERIOD AND EXTENSIONS:** Page 9

**AMENDMENTS:** Page 9

**YOUTH PHILANTHROPY GRANTS:** Page 10

**DUAL CREDIT GRANTS:** Page 10

**EVAN BAYH SCHOLARS (21<sup>ST</sup> CENTURY) ENROLLMENT INCENTIVE PROJECT GRANTS:** Page 10

**JUMP START PRESCHOOL GRANTS:** Page 10

**GRANT GUIDELINES FOR LAND CONSERVATION EASEMENTS:** Page 11-12

**PROJECT OVERSIGHT:** Page 12

**PROCEDURE FOR DUE DILIGENCE AND EXPENDITURE RESPONSIBILITY:** Pages 12-13

**GUIDELINES FOR ADMINISTRATION OF GRANTS AND ENDOWMENTS TO NON-SECTION 501(c) (3) TYPE ORGANIZATIONS THAT REQUIRE THE EXERCISE OF EXPENDITURE RESPONSIBILITY:** Pages 13-14

# Harrison County Community Foundation

## Supporting Organization

### Grant Making Policy and Procedures

November 5, 2018

The screening and decision-making process of an increasing number of grant applications to the Harrison County Community Foundation Supporting Organization (HCCFSO) is a difficult and time-consuming process. Non-compliance with any application policy or guidelines may result in the rejection of an application.

Grant applications must be completed in accordance with the approved publicly published application. An online application is available on our website [www.hccfindiana.org](http://www.hccfindiana.org). Agencies with extraordinary circumstances that do not have access to the internet should contact the HCCF staff.

Grant applications and all attachments become the property of the HCCFSO. Information contained in the grant application will be considered confidential. No copies will be made for the applicant or released to other persons unless required by law. We recommend all applicants save a copy to be retained in their files.

The HCCFSO Grants Committee and HCCF Board of Directors may, from time to time, consider exceptions to this policy. Approval of the majority of the Board of Directors, under existing By-Laws, will be required to approve such exceptions.

Applicants are reminded of the importance of declaring other successful applications and sources of funding to support their project. This provides an opportunity to demonstrate additional efforts in obtaining funding. Non-disclosure of other sources of funding for the project may result in the disqualification of the application or grant.

The Harrison County Community Foundation prefers the use of qualified local contractors or vendors by grant recipients, if practical.

#### **Eligibility:**

HCCF requires nonprofits applying for funding to have at least one current board member who has completed an HCCF-approved nonprofit board governance training program.

All not-for-profit agencies providing services to residents of Harrison County, Indiana are eligible to apply. HCCF will only allow a grant application from an agency that has been in business a minimum of two years from the date of their most recent IRS Letter of Determination. Applicants must be listed in good standing on the IRS Publication 78 and/or the Business Master File and must have completed the annual filing with their Secretary of State. Schools, religious organizations, some civic organizations and local governmental units may be exempt from this requirement.

Grant applications should typically be submitted by the nonprofit whose clients, constituents, or organization will benefit from the grant. This non-profit is the owner who provides all required insurances and would be liable in the event of an incident. Organizations supporting another non-profit

organization's mission, such as PTO's, Band Boosters, Auxiliaries, etc., may gather information and create the application, but the parent non-profit must submit the application. Applications submitted on behalf of another eligible nonprofit must follow all other applicable requirements of this Grant Policy and should clearly explain why the beneficiary nonprofit is unable or unwilling to submit the application. The applicant should further ensure all relevant policies or approval processes of the applicant, beneficiary organization, and the Foundation is followed.

The Harrison County Community Foundation Supporting Organization does not award grants to:

1. Purchase real estate that has not been identified and appraised. (Refer to Grants for Real Estate Purchases section.)
2. Political activities or those designed to influence legislation.
3. Individuals (except scholarships).
4. Religious organizations for the purpose of furthering that religion.
5. Reimburse for items or expenses purchased/obtained prior to the grant award.
6. Grant requests for fundraising events are not typically awarded.
7. Purchase souvenirs, or other personal items including clothing, uniforms, or shoes.
8. Purchase food items unless specifically allowed in the grant agreement.
9. Fund wages (collectively salaries, stipends, bonuses, or benefits). An exception is possible if the HCCF award will leverage external funding for wages, however, the applicant should anticipate that an HCCF grant may not be repeated for this purpose in subsequent grant cycles.
10. Provide funding for capital improvements on privately owned property.

Additionally, grants to religious organizations will be limited to projects that benefit the community at large, preserve a historical site (typically 100 years or older), or respond to an immediate health or safety related problem. Traditional equipment, routine maintenance, or facility improvements will not be funded.

### **Open Grant “no deadline” Cycle:**

HCCFSO will accept online grant applications anytime throughout the year. Applications must typically be submitted 90 days prior to an event to be considered. A new application will be available on the HCCF website each December for the following year. Applicants have a 60 day deadline to complete a grant application once started. HCCFSO typically will not fund requests less than \$5,000. Any Program Related Investment (PRI) or grant request of \$200,000 and over, if recommended for approval by the Grants Committee, will go in front of the Finance Committee for a second review. Decisions will typically be made within 120 days of the agency's successful application submission.

### **Geographic Distribution:**

Except where limited by the applications presented, the HCCFSO Board of Directors will strive to achieve equitable distribution of grant awards throughout the geographic regions of the county.

**Grant Categories:**

HCCFSO supports grant awards that improve the quality of life throughout Harrison County. Grant applications are considered under the following primary categories:

Arts & Culture	Government	Education
Human Services	Historical Preservation	Health & Safety
Recreation	Community Projects	Environment

**Arts Grants:**

HCCFSO will provide the required matching funds (up to \$20,000 total) to arts organizations serving Harrison County and (up to \$25,000 total) to Harrison County schools that receive an Indiana Arts Commission (IAC) Arts Project Support (APS) Grant award; and only consider arts grant requests from those organizations for programs or projects that were turned down by the IAC.

To be eligible for matching funds, arts organizations serving Harrison County must forward a copy of their Indiana Arts Commission (IAC) Arts Project Support (APS) application to HCCF before the APS grant deadline as published on the IAC website.

**Field of Interest Fund Access:**

All grants awarded from HCCF Field of Interest Funds must be approved by the HCCF Board of Directors. Qualified agencies or other charitable entities must complete a grant application following stated procedures in this document.

**Grants for Capital Improvements on Leased Property:**

HCCFSO will typically not provide funding for capital improvements on leased real estate unless there are at least twenty (20) years remaining on the lease.

**Grants to Providers:**

Providers are defined as agencies that provide programs or services to the clients of other agencies (supported organizations) in Harrison County. To ensure the benefits of the grant meet the needs and expectations of the supported organization, Provider applicants must ensure appropriate Endorsement Letters from the leadership of the supported organization are included with the application. Defining the number of individuals to be served and a per-participant cost basis aids our Grants Committee in determining the value of the project. Other partnering sources of funding for these programs are encouraged and should be clearly identified in the application.

Providers utilizing property or facilities owned by another agency for the purpose of providing services or programs should also include Endorsement letters from the agency owning the property and a copy of the signed lease agreement. HCCF will not provide a grant award to an agency for construction on property owned by another agency. The owner (or lessor) must submit these requests.

**Grants to Schools:**

It is the policy of the HCCFSO that grant requests from school corporations, public or private, or employees thereof, shall be defined and limited as follows:

## A. Capital Projects:

Capital Projects are requests for funding for the purchase of, or costs related to, the procurement of assets which are for the long term benefit of the corporation, staff, or students. Such assets will be considered Capital if they have a useful life of three or more years, or are depreciated on a scheduled basis. Items may be determined to be Capital items at the discretion of the HCCFSO Grants Committee and include the following:

Buildings	Playground Equipment
Vehicles	Desks/furnishings
Computer/Technology	Lab Equipment
Textbooks	Athletic facility improvements
Activity uniforms	Library Books

The Foundation will entertain applications for Capital Projects only as a match to other cash funding sources of up to fifty percent (50 %) of the total Capital Project cost and for an amount not to exceed \$250,000.

Other sources may include any other grant providing resource, private individuals or businesses, or the applicant corporation. Successful applicants will be expected to provide written proof that matching funds are committed before any HCCFSO funds will be released.

## B. Program Projects:

Program Projects are requests for funding for the purchase of, or costs related to, the procurement of assets or services which are for the short term benefit of the School Corporation, staff, or students. Items may be determined to be Program Projects at the discretion of the HCCFSO Grants Committee.

The Foundation will entertain applications requesting 100 % funding for Program Projects, however, securing other funding to offset costs is recommended. Any applicable student activity fees must be declared and applied toward the program. Other partnering sources of funding for Program Projects are encouraged and should be clearly identified in the application. The requirement of disclosing other sources of funding under the Application Information section of the application also applies.

## C. Arts Programming or Project Requests:

Prior to requesting funds from the HCCFSO, schools are required to apply for an Indiana Arts Commission (IAC) Arts Project Support (APS) Grant. HCCFSO will provide the required matching funds (up to \$25,000 total) to Harrison County schools that receive an IAC APS Grant award; and only consider arts grant requests for programs or projects that were turned down by the IAC.

To be eligible for matching funds, arts organizations serving Harrison County must forward a copy of their Indiana Arts Commission (IAC) Arts Project Support (APS) application to HCCF before the APS grant deadline as published on the IAC website.

## **Grants for Real Estate Purchases:**

HCCFSO will consider grants for the purchase of real estate. These applications must include a current (within six months) appraisal of the property to be purchased. An accepted offer, purchase option, or purchase contract should also be included if available and may be required prior to awarding the grant.

## Grant Application Content:

Continuity of all applications expedites the grant reviewing process. Applicants must call the HCCF staff and request a review prior to submission. The following documents must be attached:

1. Cover letter (not more than two pages describing your agency and/or purpose of the grant).
2. List of current board members with positions, county, and state of principal residence. This information is used to signify Harrison County representation on the applicant's board. HCCF also requests phone numbers and email addresses if available.
3. Organization's **actual income and expenditures for the past fiscal year and projected income and expenditures for the current fiscal year** if the organization operates in Harrison County only. If the organization operates in other counties or regionally, please provide **actual income and expenditures for the past fiscal year and projected income and expenditures for the current fiscal year** showing Harrison County compared to the overall income and expenditures.
4. Endorsement Letters. Grant Applications from Providers must include Endorsement Letters signed by the organization providing the clients for the service being offered by the Provider. These letters should not be general supportive letters but declare a firm commitment that clients have been (or will be) scheduled to participate in the referenced program or activity. Additional information indicating the number of clients scheduled to participate is preferred. See "Grants to Providers" above.
5. Additional supporting information (typically optional, but may serve to enhance the application):
  - A. Proposals, bids or estimates of the project to be funded. If bids are not submitted, they may be required for some grants before funds are released. See Distribution of Funds below.
  - B. Photographs of the facility or project.
  - C. Brochures, annual report, or newsletters.
  - D. Documentation the facility is a registered historical site.
  - E. Accepted offer and/or real estate description.
  - F. Letters of Support for an application from another agency or individual may be included in the Grant Application. These letters should include meaningful and pertinent information about the application content. Letters received external of the application will **not** be included for consideration by the Grants Committee.
  - G. If video or other non-printed material is available, note in application these can be provided to the committee upon request.
6. Signed Form 990, 990-EZ, or 990-N. If it has been 18 months or more since the fiscal year end date of the Form 990 you are submitting, provide a written explanation signed by the applicant and contracting authority along with documentation, such as an IRS Extension Request Form 8868, as to why a more current Form 990 is not available. Failure to file is not an acceptable explanation. If you chose to e-file your form, you must attach the IRS e-file Signature Authorization for an Exempt Organization Form 8879-EO. HCCF may request a signed letter on letterhead from the filing entity that the Form 8879 has been submitted to the IRS.
7. Annual Audit (if applicable): Audits must be performed by a "qualified auditor". A qualified auditor is an accountant (or firm of accountants) which an agency hires as an independent third-party to review its financial information.

## **Signatures:**

HCCFSO Grant Applications, Agreements, Periodic Reports, Amendments, and Extension Requests require **two different** signatures of the agency at two organizational levels. One signature must be from the board chair of the governing body and the other from the executive director, senior staff, or another board member. The organization may be required to submit minutes of their meeting recording the discussion and approval of the aforementioned documents. Documents **with only one signature will not be accepted**. Current HCCF staff, board, board elect, or community volunteer members are not eligible to sign these documents.

The aforementioned documents from:

- All county-owned entities excluding the Harrison County Public Library must include a signature of the President of the Board of County Commissioners affirming the Board of Commissioners has approved the document.
- Regional sewer and/or water districts organized as independent non-profits under Indiana statutes must also include a signature from the parent municipality under which they were organized; typically the county commissioners.
- Faith-based organizations should include one signature from a member of the governing level in the church such as an officer of the board of trustees, advisory council, or treasurer and the board chair.
- Schools must include the signature of the chair of the school board and the school superintendent.

## **Litigation:**

If an applicant organization is currently (or has been in the past twelve months) involved in any litigation or inquiry from a state or federal regulatory agency that may have an impact on the organization's operations, disclosure in the HCCFSO application is required. The organization must explain in the application the details of the litigation.

## **Application Assistance:**

Applications that do not contain all of the required information may not be considered. To facilitate the preparation of complete grant applications, applicants **must request a grant application review prior to submission**. This service is provided to assist you and does not reduce or replace the applicant's responsibility for the content of the application. Contact the Foundation office at (812) 738-6668 if you have any questions or to request your application review. Once an application is submitted, no additions or corrections to the application will be allowed.

## **Grant Application Solicitation and Conflict of Interest:**

Personal solicitations to Grants Committee members or HCCFSO Board of Directors are strongly discouraged and may result in the disqualification of the application. All HCCFSO board members and Grants Committee members are required to declare any personal interest in any grant application. This declaration eliminates their participation in voting on the grant application and will be recorded in the minutes as an abstention. Board members who violate the Conflict of Interest Policy or fail to report a solicitation may be forced to resign from the board of directors.

HCCF employees do not participate in the grant making process with the exception of clerical assistance and providing members with requested factual information on a project or agency.



### **Grant Application Announcements:**

The HCCFSO Board of Directors has the final authority and responsibility for approving or rejecting and announcing all grant applications. HCCFSO is not responsible for any grant award announcements except by formal letter from our staff. HCCF staff or board members are not authorized to release any information on the status of a grant application prior to final board approval.

### **Grant Agreement:**

Each successful grant applicant will be assigned a Grant Number and two officials of the agency must sign a Grant Agreement, one being the board chair. Failure to sign the Agreement or comply with any provision of the content therein may result in forfeiture of the grant award. The properly signed Grant Agreement must be returned within 30 days from the date of the agreement. The HCCF President & CEO has the authority to approve up to one (1) six-month extension.

### **Reports:**

The Grant Agreement will provide reporting due dates. Any grantee with overdue reports (6 month, 12 month, extended evaluation, or Final Report Form) will not be eligible to apply for new grant funding for a six month period beginning the day after the overdue report is submitted. The overdue report must be submitted before any funds will be released on the existing grant.

### **Distribution of Funds:**

Disbursements are made only to the applicant agency and no other assignment is authorized. Funds are typically provided within fifteen days after a copy of a paid receipt, purchase order, or an accepted bid/quote is delivered to the HCCF office. HCCFSO typically does not reimburse sales tax on purchases. In some cases, funds may be released to a successful applicant upon receipt of documentation supporting an unusual need.

For capital grant expenditures above \$10,000, at least two (but not more than four) bids/quotes may be required before funds will be released. If bids/quotes are required, this will be stipulated in the Grant Agreement. The grantee must provide a written explanation if they do not want to use the lowest bid/quote. The Foundation reserves the right to question or refuse payment for bids/quotes deemed questionable or inappropriate.

### **Grant Period and Extensions:**

The Grant Agreement will state the grant period based on information provided in the application but will not typically exceed twelve months. Extensions for a period not to exceed six months may be requested in writing and may be approved by the President & CEO. This request requires **two different** signatures of the agency at two organizational levels, one being the board chair, and must state why the grant should be extended. Additional extensions may be requested in writing but will require approval by the Board of Directors.

### **Amendments:**

HCCFSO will allow only **one** approved amendment per grant awarded. Amendments must be submitted in writing and approved by the Grants Committee Chairperson and President & CEO. This request requires **two different** signatures of the agency at two organizational levels, one being the board chair.

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### **Youth Philanthropy Grants:**

Youth Philanthropy grants are focused on supporting young people and their communities. Requested grant funds should be used to offer a range of activities for those aged 13-19 years old. Grants are intended to engage youth in society by creating healthy, guiding relationships with adults, providing constructive free time activities, offering character-building opportunities, and encouraging a sense of community. Activities can include, but are not limited to, arts, music, sports, leisure and other activities where young people can make friends in a fun and safe environment. Priority will be given to grants that identify innovative and challenging ways to engage youth to participate.

### **Dual Credit Grants:**

HCCF allocates resources to support high school students in pursuing dual credit classes. HCCF's intent is to maximize dual credit opportunities at little or no cost to the students. HCCF will provide reimbursement to Harrison County schools in support of dual credit programs. Each school will be provided with a minimum available allocation based on the first ADM (Average Daily Membership) report of the school year and an Appendix A detailing the program.

### **Evan Bayh Scholars (21<sup>st</sup> Century) Enrollment Incentive Project Grants:**

HCCF offers as an award to the three Harrison County public school corporations for the percentage of eligible 8th graders enrolled in the Evan Bayh Scholars (21st Century) program.

The share of available funding to each corporation is based on the total ADM and number of free or reduced lunch eligible students reported in October of each year. After HCCF receives the ADM reports, schools receive a chart depicting available funding amounts. Actual amounts awarded are based on the percentage of eligible 8th graders enrolled and confirmed accepted by the State.

The intent for these funds is to enhance student experiences and achievement. A complete list of allowed or prohibited projects is not possible. The following should be used as a guide. Funding may be used for student achievement incentives through the Renaissance program, field trips (physical or virtual), academic competitions, artistic activities such as band, choir, or drama club, after-prom events, school newspaper or yearbook publication.

Funding may not be used for capital purchases, construction projects, to pay wages, salaries, or stipends, facility or equipment maintenance or repairs, to be re-granted to another organization, or to buy classroom or office supplies.

### **Jump Start Preschool Grants:**

Jump Start is a program of HCCF with a mission to increase the kindergarten readiness of at-risk Harrison County resident children. Local public and faith-based schools along with private providers are invited to participate. The program requires certain certifications and conditions be met.

Funding is to serve the most at-risk students, at or below 200% of the Federal Poverty Level who apply, which will include families who qualify for the Free or Reduced Lunch Program as established and changed from time to time by the State of Indiana.

Preschoolers must be four years old, no later than August 1, and be legal residents in Harrison County to be eligible.

## Grant Guidelines for Land Conservation Easements

Amended May 6, 2013

**Background:** The Harrison County Community Foundation Supporting Organization, Inc. (HCCFSO) recognizes the value of protecting farm, forest and open spaces for the generations to come. While we acknowledge the many variables encountered in protecting property using conservation easements, the following guidelines have been established to inform conservation proponents, easement donors, and interested land trusts on the limits of HCCFSO participation in this program.

**Grant Process:** Grant applications will continue to be required from the Harrison County Land Conservation Committee (HCLCC). The opportunity for increased funding remains an option if the conservation easement warrants and is approved by the HCCFSO Board of Directors. These guidelines do not guarantee the HCLCC grant application will be approved.

**Grant Amount:** A typical grant for a conservation easement, under the guidance of the HCLCC, will not exceed \$18,000 per easement. Any additional costs for an easement that exceed the amount of the HCCFSO grant must be met by other sources. A grant award is for one conservation easement and may not be co-mingled with another HCCFSO conservation easement grant award. Unused funding from an HCCFSO grant may not be spent for another purpose or used for another conservation easement.

**Property Easement Limits:** A grant for the purpose of a conservation easement will be limited to one (1) for a single-owner adjacent property. An owner may qualify for additional easement grants, but only if subsequent property easements are separated from a previous property by one or more tracts owned by other property owners. This requirement may be waived if at least ten (10) years has passed since a conservation easement grant supported an adjoining property.

**Appraisals** are the donor's responsibility. As the landowner has the option to claim the easement donation as a tax reduction, HCCFSO will not allow grant funds to pay this cost.

**Legal Defense** HCCFSO will not grant funds for Legal Defense.

**Legal Fees** are similar to closing on a real estate transaction. HCCFSO will allow up to **\$2,000** per easement in legal fees; reimbursed to HCLCC after closing.

**Surveys** are the largest variable depending primarily on the acreage. The HCCFSO will allow up to **\$5,000** for this cost; reimbursed to HCLCC after closing and presentation of surveyor's invoice.

**Signs/Markers** promote the program and inform the public there is a conservation easement on the property. HCCFSO will allow up to **\$1,000** per easement grant for signs, markers, or other promotion; reimbursed to HCLCC upon presentation of appropriate invoice(s).

**Stewardship Fee** is a calculated amount that considers a variety of costs to the land trust for continued monitoring of a conservation easement such as staff time, mileage to/from the property, size of the property, supporting admin, etc. HCCFSO will allow up to \$10,000 deposited into an endowment held by the Harrison County Community Foundation (HCCF) for the benefit of the land trust to steward a grant-supported Harrison County conservation easement. The land trust assigned to steward a conservation easement through this program must submit billing to HCCF along with a request to withdraw available income from the fund for any annual monitoring costs.

**HCCF Match Program:** If the property owner and participating land trust agree that additional funding into the endowment is necessary for perpetual stewardship and HCCF has a qualifying match program in

place, any additional funding donated to the HCCF for the stewardship endowment will qualify for the offered match.

## **Project Oversight**

Applicable to Any Construction Projects

The grant recipient shall engage an architect or professional engineer licensed in the State of Indiana to design or oversee the design of the project in order that the project will comply with all federal, state, and local codes and industry standards. The architect or professional engineer shall periodically observe the execution of the project and require that the execution be in compliance with all federal, state, and local codes and industry standards for the particular project. The observation periods shall be determined by the architect or professional engineer but shall be at least in accordance with industry standards.

The architect or professional engineer shall review and approve all pay requests prior to submission for payment to the Harrison County Community Foundation Supporting Organization. The grant recipient shall review and approve all pay requests from the architect or professional engineer prior to submission for payment to the Harrison County Community Foundation Supporting Organization. It is highly recommended that grant applicants involve an architect or professional engineer prior to application to aid in the formation of the project budget and to include the necessary design and oversight fees in the project budget. Fees not specifically included in the grant request will not be paid without a grant amendment subject to the approval procedures of the Harrison County Community Foundation Supporting Organization.

HCCFSO recognizes the value of a professional practicing construction management firm's involvement as a trusted advisor to a grant recipient from early project design to completion. As such HCCFSO supports the engagement of an experienced Construction Manager who can provide invaluable preliminary project budgeting, scheduling, advice on construct-ability, and assist the owner/recipient with project involvement from qualified local contractors and suppliers.

## **Procedure for Due Diligence and Expenditure Responsibility**

In order for the Foundation to ensure that grants will be used for charitable purposes consistent with the nature of the grant request and purposes of the designated fund from which grants are made, the following guidelines are used:

1. Grants from designated and agency endowments must be requested via the Grant Request Form. From the purpose stated by the requesting agent, grants from endowments are presented to and must be approved by the Board of Directors.
2. When the final grant check is issued, a Grant Final Report Form is also provided. The Grantee is required to provide invoices, receipts, or other such documentation to confirm appropriate use of the funds. Foundation Representatives may also conduct site visits to verify expenditures.
3. Recipients of unrestricted grants from the Foundation must sign a Grant Agreement that defines the amount and purpose of the grant. The Agreement also stipulates that other terms the grantee described in the Grant Application may also be terms of the grant.

4. The Foundation reimburses grantees for expenditures based on paid invoices or receipts. Where this practice may cause the agency financial hardship, advance checks may be written based on a Purchase Order or other documentation confirming prompt use of the funds.
5. Periodic Report Forms are required to document appropriate use of the funds. Periodic site visits by Foundation Representatives may also be conducted.

The Foundation will verify the grant recipient is in good standing with the Internal Revenue Service and must be current with required state annual filing requirements such as the Indiana Secretary of State Business Entity Report. The requirement of these documents provides the Foundation with the current operating status of the requesting organization. Grants to organizations other than those described in section 170 (b) (1) (A) of the Internal Revenue Code have additional guidelines as described below:

### **Guidelines for Administration of Grants and Endowments to Non-Section 501(c) (3) Type Organizations that require the exercise of Expenditure Responsibility**

A. "EXPENDITURE RESPONSIBILITY" requires the Foundation to exert all reasonable efforts and establish adequate procedures:

1. To see that the grant is spent only for the charitable purpose for which it is made,
2. To obtain full and complete reports from the grantee organization on how the funds are spent, and
3. To make full and detailed report on the expenditures to the IRS.

B. The exercise of expenditure responsibility may involve one or more of the following elements:

1. Conduct a pre-grant inquiry – the Foundation should conduct a limited inquiry concerning the potential grantee before the grant is made; this should deal with matters such as the identity, past history and experience, management, activities and practices of the grantee organization; this written inquiry should be complete enough to give reasonable assurance that the grantee will use the grant for its intended purposes.
2. Obtain certain commitments from the grantee – each grant must be made subject to a written commitment signed by the appropriate officer or director of the grantee organization, and include the following:
  - a. an agreement to repay any amount not used for the purposes of the grant,
  - b. an agreement to submit a full and complete annual report to the Foundation on the manner in which the funds are spent and the progress made towards accomplishing the purposes of the grant,
  - c. an agreement to keep records of receipts and expenditures and to make its books and records related to the grant available for inspection by the Foundation at all reasonable times, and

- d. an agreement not to use the funds to influence legislation or the outcome of political elections, not to make grants to an individual for travel or study purposes unless other specific IRS requirements for grants to individuals are satisfied, or not to undertake any non-exempt activity that would cause the grant to be a taxable expenditure.
3. Commit to certain actions with respect to violations of these requirements – any diversion of grant funds, including income distributed from an endowment fund, found to be used outside of the grant commitment, will be treated on the Community Foundation’s books as a taxable expenditure, unless:
    - a. the Foundation takes all reasonable and appropriate steps to recover the grant funds, and
    - b. withholds any future payments to the grantee, until it has received sufficient written assurances that future diversions will not occur, including the institution of extraordinary precautions to prevent inappropriate use of the grant funds in the future.
- C. The Foundation will be deemed by the IRS to have made a taxable expenditure:
1. Unless it only makes grants to organizations for which it has conducted a pre-grant inquiry;
  2. When it has failed to obtain the necessary written commitments from the grantee organization that was subject to the pre-grant inquiry; and
  3. If the Foundation fails to report on such activity to the IRS.
- D. If the Organization and Foundation agree that the charitable purposes will include scholarships, all applicable policies of the Scholarship Policy must be followed and the Foundation Board of Directors or their assigned agents must approve:
1. The scholarship application and criteria,
  2. The selection committee and process, and
  3. The final recipient(s) of any award.

Amended May 6, 2013  
 Amended December 3, 2013  
 Amended February 21, 2014  
 Amended May 5, 2014  
 Amended February 2, 2015  
 Amended April 6, 2015  
 Amended October 5, 2015  
 Amended November 2, 2015  
 Amended December 7, 2015  
 Amended February 1, 2016  
 Amended March 7, 2016  
 Amended November 7, 2016  
 Amended December 5, 2016  
 Amended April 3, 2017  
 Amended June 5, 2017  
 Amended December 4, 2017  
 Amended February 6, 2018  
 Amended November 5, 2018