

Harrison County Community Foundation

Supporting Organization

Grant Making Policy and Procedures

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December 5, 2022

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Harrison County Community Foundation

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December 5, 2022

Both the Harrison County Community Foundation, Inc. (HCCF) and Harrison County Community Foundation Supporting Organization, Inc. (HCCFSO) use these policies and procedures and will collectively be referred to as HCCF in the policy.

The screening and decision-making process of grant applications to the Harrison County Community Foundation (HCCF) 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. 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 HCCF. 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 HCCF Grants Committee and 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 and available.

Eligibility:

HCCF requires nonprofits, including governmental and quasi-county entities applying for funding to have at least one current board member who has completed an HCCF-approved nonprofit board governance training program. HCCF offers board governance training multiple times throughout a calendar year.

All nonprofit agencies providing services to residents of Harrison County, Indiana are eligible to apply. HCCF will only allow a grant application from a nonprofit 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 required filing with their Secretary of State. Schools, religious organizations, some civic organizations, and local governmental and quasi-county entities may be exempt from this requirement.

Grant applications should typically be submitted by the nonprofit whose clients, constituents, or organizations will benefit from the grant. This nonprofit is the owner who provides all required insurances and would be liable in the event of an incident. Organizations supporting another nonprofit organization's mission, such as PTO's (Parent Teacher Organizations), Band Boosters, Auxiliaries, etc., may gather information and create the application, but the parent nonprofit must submit the application unless the supporting organization is a separate entity and has their own tax id number. 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 HCCF 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 religion.
5. Reimburse for items or expenses purchased and received by the grant applicant outside the grant award period.
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 administrative vs. programmatic 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 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 benefitting the community at large, preserving a historical site (typically one hundred (100) years or older), or responding to an immediate health or safety related problem. Traditional equipment, routine maintenance, or facility improvements will not be funded.

Open Grant “no deadline”:

HCCF will accept online grant applications anytime throughout the calendar year. Applications must typically be submitted 90 days prior to an event or program to be considered. A new application form will be available on the HCCF website each December for the following year. Applicants have a 60-day window to complete a grant application once started. HCCF typically will not fund requests less than \$5,000. Any 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 are made by the HCCF Board of Directors and may typically take up to 120 days from the nonprofit agency’s successful application submission.

Geographic Distribution:

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

Grant Categories:

HCCF supports grant awards to 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:

HCCF will provide matching funds (up to \$20,000 total) to arts organizations serving Harrison County and (up to \$25,000 total) to Harrison County schools receiving an Indiana Arts Commission (IAC) Arts Project Support (APS) Grant award.

To be eligible for matching funds, Harrison County schools and 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.

HCCF encourages arts organizations and Harrison County schools to apply for IAC funding but if the timing of the program or project does not fit the IAC timeline, HCCF will still accept art related grant applications anytime.

Field of Interest Fund Access:

All grants awarded from HCCF Field of Interest Funds must be approved by the HCCF Board of Directors. Requests under \$5,000 will follow the process in the Endowment Fund Policy. When reviewing grant applications, the Grants Committee will make recommendations to utilize Field of Interest Funds when appropriate.

Grants for Capital Improvements on Leased Property:

HCCF 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 providing 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 the HCCF 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. The owner (or lessor) must submit these requests.

Grants to Schools:

It is the policy of the HCCF 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 HCCF Grants Committee and include the following:

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

HCCF 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 resources, private individuals or businesses, or the applicant corporation. Successful applicants will be expected to provide written proof that matching funds are committed before any HCCF 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 HCCF Grants Committee. HCCF 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 HCCF, schools are encouraged to apply for an Indiana Arts Commission (IAC) Arts Project Support (APS) Grant. HCCF will provide matching funds (up to \$25,000 total) to Harrison County schools receiving an IAC APS Grant award.

To be eligible for matching funds, Harrison County schools 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.

If the timing of the program or project does not fit the IAC timeline, HCCF will still accept art related grant applications anytime.

Grants for Real Estate Purchases:

HCCF 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.

HCCF does not typically grant funds to construct facilities outside of Harrison County, Indiana.

Grant Application Content:

Continuity of all applications expedites the grant reviewing process. Applicants must call or email 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 nonprofit agency and/or purpose of the grant). It should be on letterhead (if available), dated, and signed by an organization's representative.
2. List of current board members with positions, and county and state of principal residence, along with phone numbers and email addresses if available. While not required, this information is used to share if Harrison County is represented on the applicant's board.
3. Organization's **actual income and expenditures for the past fiscal/calendar year and projected income and expenditures for the current fiscal/calendar 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/calendar year and projected income and expenditures for the current fiscal/calendar year** showing Harrison County's portion 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 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 for more information.
5. Additional supporting information (typically optional, but may serve to enhance the application):
 - A. Proposals, permits, 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/calendar year end date of the Form 990 submitted, 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 the form was sent by e-file the IRS e-file Signature Authorization for an Exempt Organization Form 8879-EO must be uploaded with the Form 990. HCCF may request a signed letter on letterhead from the filing entity documenting 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 a nonprofit agency hires as an independent third-party to review its financial information.

Signatures & Process:

HCCF Grant Applications, Agreements, Periodic Reports, Amendments, and Extension Requests require **two different** signatures of the nonprofit 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. See below for other nonprofit agency signature requirements. 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 volunteers are not eligible to sign these documents.

Original handwritten signatures are preferred; however, electronic signatures will be accepted but will require an additional step.

- The person who cannot sign and scan back documents must contact HCCF by an email sent separately to Anna Curts at annac@hccfindiana.org, stating they will e-sign the document and return. This will provide HCCF a separate confirmation the person in question was the one approving the document and sending the e-signing on their behalf.
- Documents may also be signed originally and dropped off at our office in person or into the drop box by the office doors or postmarked by the due date and mailed to PO Box 279, Corydon, Indiana 47112; but of course, this could cause a delay.

The aforementioned documents from:

- All county-owned entities and quasi-county 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 nonprofits 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 other signature from the board chair.
- Schools must include the signature of the chair of the school board and the Superintendent or their highest level of authority.

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 which may have an impact on the organization's operations, disclosure in the HCCF application is required. The organization must explain in the application the details of the litigation.

Application Assistance:

Applications not containing all 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 applicants and does not reduce or replace the applicant's responsibility for the content of the application. Contact the HCCF office at (812) 738-6668, or email annac@hccfindiana.org 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, current HCCF board of directors, board elect, community volunteers, or staff are strongly discouraged and may result in the disqualification of the

application. All HCCF board members, board elect, community volunteers, and staff are required to declare any personal interest in any grant application according to the process included in the Grant Conflict of Interest Policy. This declaration could eliminate their participation in voting on the grant application and will be recorded in the minutes as an abstention if needed. Board members who violate the Conflict of Interest Policy or fail to report a solicitation will be addresses and may lead to removal 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 nonprofit agency.

Grant Application Announcements:

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

Grantee agrees to acknowledge HCCF support regarding a grant award in all public or private announcements and written materials published. HCCF will provide a Brand Guide in the grant award packet showing appropriate logos, colors, suggested verbiage, and social media platforms used to assist with marketing.

Grant Agreement:

Each successful grant applicant will be assigned a Grant Number and two officials of the nonprofit agency must sign a Grant Agreement, including the board chair. Refer to the Signatures section on page 8 and 9 for details on requirements. Failure to sign and return the Grant 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 by the due date noted on the Grant Agreement. The Grant Agreement may be sent electronically, dropped off at the HCCF office in person or into the drop box outside the HCCF office, or postmarked by the due date noted on the Grant Agreement.

Reports:

The Grant Agreement will provide reporting due dates. Grantee agrees to submit 6-month, 12-month, extended evaluations, and/or final report forms electronically, dropped off at the HCCF office in person or into the drop box outside the HCCF office, or postmarked by noted due dates. Any grantee with overdue reports (6-month, 12- month, extended evaluation, or final report) will not be eligible to apply for new grant funding for a six (6) month period beginning the day after the overdue report is received. The overdue report must be received before any funds will be released on the existing grant. Reports require two different signatures of the nonprofit 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. See previous **Signatures & Process** section of other nonprofit agency signature requirements.

Distribution of Funds:

Disbursements are made only to the applicant nonprofit agency and no other assignment is authorized. Funds are typically provided within fifteen (15) days after a copy of a paid receipt, purchase order, or an accepted bid/quote is delivered to the HCCF office. HCCF 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 (2), but not more than four (4) 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. HCCF reserves the right to question or refuse payment for bids/quotes deemed questionable or inappropriate. HCCF prefers the use of qualified local contractors or vendors by grant recipients, if practical and available.

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 (12) months. Extensions for a period not to exceed six (6) months may be requested in writing. This request must state why the grant should be extended and requires **two different** signatures of the nonprofit agency at two organizational levels, including the board chair. Refer to the Signatures section on page 8 and 9 for details on requirements. The HCCF President & CEO has the authority to approve up to one (1) six-month extension. Additional six (6) month extensions may be requested in writing but will require approval by the HCCF Board of Directors.

Amendments:

HCCF will allow only **one** approved amendment per grant awarded. Amendments must be submitted in writing and state the need. This request requires **two different** signatures of the nonprofit agency at two organizational levels, including the board chair. Refer to the Signatures section on page 8 and 9 for details on requirements. Amendment requests are approved/or denied by the Grants Committee Chairperson and President & CEO. Undecided requests may be taken to the HCCF Board of Directors for a decision.

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 identifying innovative and challenging ways to engage youth to participate.

Dual Credit Grants:

HCCF allocates resources to support students enrolled in Harrison County high schools, 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 corporation will be provided with an available allocation based on the first ADM (Average Daily Membership) report of the school year and an Appendix A detailing the program. Failure to provide HCCF with the ADM report will result in no funding provided to a school corporation for dual credit.

Evan Bayh Scholars (21st Century) Enrollment Incentive Project Grants:

HCCF offers as an award to the three Harrison County public school corporations for the percentage of eligible eighth (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) Average Daily Membership 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 eighth (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 subsidizing high-quality preschool (Pre-K) for children in Harrison County. HCCF's goal is to increase the kindergarten readiness of 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 eligible students, at or below 200% of the Federal Poverty Level who apply.

Participating children must be three (3), four (4), or five (5) years old by August 1 of the current school year. Only children with legal residency in Harrison County are eligible. Families must meet the income eligibility requirement to qualify.

Grant Guidelines for Land Conservation Easements

Background: The Harrison County Community Foundation (HCCF) 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 on HCCF participation in this program.

Grant Process: Grant applications may only be submitted from the Harrison County Land Conservation Committee (HCLCC) or any land trust administering an endowment held by HCCF. The opportunity for increased funding remains an option if the conservation easement warrants and is approved by the HCCF Board of Directors. These guidelines do not guarantee a 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 application. Any additional costs for an easement exceeding the amount of the HCCF grant must be met by other sources. A grant award is for a single property conservation easement and may not be co-mingled with another HCCF conservation easement grant award. Unused funding from an HCCF grant may not be spent for another purpose or used for another property conservation easement.

Property Easement Limits: A grant for the purpose of a conservation easement will be limited to one (1) per single-owner adjacent property. A single-owner adjacent property may qualify through the land trust applicant 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, resulting in an individual receiving a benefit, HCCF will not allow grant funds to pay this cost.

Legal Defense HCCF will not grant funds for Legal Defense.

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

Surveys are the largest variable depending primarily on the acreage. The HCCF will allow **up to \$5,000** for this cost; reimbursed to HCLCC or land trust 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. HCCF will allow **up to \$1,000** per easement grant for signs, markers, or other promotion; reimbursed to HCLCC or land trust upon presentation of appropriate invoice(s).

Stewardship Fee is a calculated amount of a variety of costs to the land trust for continued monitoring/enforcement of a conservation easement such as staff time, mileage to/from the property, size of the property, supporting admin, etc. HCCF will allow **up to \$10,000** deposited into an existing 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 additional funding into the endowment is necessary for perpetual stewardship and HCCF has a qualifying match program in place, any additional eligible funding donated to the HCCF for the stewardship endowment will qualify for the offered match per rules established for the HCCF Match Program offered at any given point in time. Please see HCCF Gift Acceptance Policy for more information.

Amended May 6, 2013
Amended December 5, 2022

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 ensuring 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 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 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. Refer to Amendments page 11.

HCCF 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, HCCF supports the engagement of an experienced Construction Manager who can provide invaluable preliminary project budgeting, scheduling, advice on constructability, and assist the owner/recipient with project involvement from qualified, it practical and available, contractors and suppliers.

Procedure for Due Diligence and Expenditure Responsibility

In order for HCCF to ensure 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. 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. HCCF Representatives may also conduct site visits to verify expenditures.

2. Recipients of unrestricted grants from HCCF must sign a Grant Agreement defining the amount and purpose of the grant. The Grant Agreement may also stipulate other terms and contingencies the grantee described in the Grant Application and may also be terms of the grant.
3. HCCF reimburses grantees for expenditures based on paid invoices or receipts. Where this practice may cause the nonprofit agency financial hardship, advance checks may be written based on a Purchase Order or other documentation confirming prompt use of the funds.
4. Periodic Report Forms are required to document appropriate use of the funds. Periodic site visits by HCCF Representatives may also be conducted.

Endowment Fund Grants:

Grants from designated and nonprofit agency endowments must be requested for a purpose stated by the requesting agent via the Endowment Fund Grant Request Form. All grants from endowments are presented to and must be approved by the Board of Directors. Requests will follow the process in the Endowment Fund Policy.

HCCF will verify the grant recipient is in good standing with the Internal Revenue Service and must be current with required state filing requirements such as the Indiana Secretary of State Business Entity Report. The requirement of these documents provides HCCF 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 requiring the exercise of Expenditure Responsibility

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

1. To see grant funding 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 were 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 –HCCF 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 the grantee will use the grant funding 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 HCCF on the manner in which the funds were 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 HCCF 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 which may cause the grant funding 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 Harrison County Community Foundation’s books as a taxable expenditure, unless:
 - a. HCCF 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 future diversions will not occur, including the institution of extraordinary precautions to prevent inappropriate use of the grant funds in the future.
- C. HCCF 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 subject to the pre-grant inquiry; and
 3. If HCCF fails to report on such activity to the IRS.
- D. If the Organization and HCCF agree the charitable purposes will include scholarships, all applicable policies of the Scholarship Policy must be followed and the HCCF Board of Directors or their assigned agents must approve:
1. The scholarship application and criteria,
 2. The selection committee and process, and
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3. The final recipient(s) of any award.

Amended 2012 – *School block verbiage changed*

Amended May 6, 2013 – *Required match for IAC grants, ER grants not to exceed \$25,000, Commissioner Signatures, Usage of local vendors, Decrease Land Conservation awards to \$18,000, Discontinue Sponsorship, increase Marketing Budget*

Amended December 3, 2013 – *Removed Fire Departments section not allowing them to apply for grants individually*

Amended February 21, 2014 – *Discontinued School Block grants in the 2014-2015 school year*

Amended May 5, 2014 – *Clarified language regarding income & expenditures, Added IRS Extension Request Form 8868 to instructions, Separated Business Master File and IRS Pub 78 question, Periodic reports require two signatures, Reduce grant agreement deadline to 30 days, Added word “typically” to prohibit grants for fundraising*

Amended November 10, 2014 – *Qualified Auditor addition*

Amended February 2, 2015 – *Eliminate August deadline for Signature Grant Requests allowing applications anytime throughout the year.*

Amended April 6, 2015 – *List on page 4, added #5 about purchased/obtained prior to grant award, Signature Grant process, Grants to Providers, Added entire section (A & B) back under Grants to Schools, Under Application Content added #7, Under signatures added “for a school corporation wide project or program”, Application assistance “requested”*

Amended August 3, 2015 – *typically “not” fund wages*

Amended September 9, 2015 – *Require county and state of principal residence for board members, require Form 990 to be signed or attach Form 8879 to show it was e-filed, effective 1/1/2016 no deadline, typically will not fund anything less than \$5,000; decisions will be made within 120 days of the submission.*

Amended October 5, 2015 – *Removed Letter of Determination requirement, Removed Partnership Grants*

Amended November 2, 2015 – *Signatures (board chair and another member), Agreements, Extensions, Amendments*

Amended December 7, 2015 – *Arts Grants to include up to \$25,000 total to Harrison County Schools*

Amended February 1, 2016 – *Field of Interest*

Amended March 7, 2016 – *Table of Contents, General Contractor, Eligibility “who is the nonprofit”*

Amended November 7, 2016 – *No deadline cycle, 120 days for decision, 60 days to complete application, added typically in places*

Amended December 5, 2016 – *#10 page 3, privately owned property*

Amended April 3, 2017 – *in business 2 years from Letter of Determination*

Amended June 5, 2017 – *Submit application 90 days before event*

Amended December 4, 2017 – *Board training requirement, Added Dual Credit, 21st Century, Jump Start Preschool Policies*

Amended February 6, 2018 – *Finance Committee review and PRI or requests of \$200,000 and over*

Amended November 5, 2018 – *IAC eligibility for match, late reporting penalties, Commissioner Signatures excluding HC Library*

Amended December 5, 2022 – *Overall review and revision including reference to Field of Interest Endowment Funds, Procedure for Due Diligence and Expenditure Responsibility*