

The Community Foundation for the Twin Tiers
DUE DILIGENCE POLICY AND PROCEDURES



community foundation

for the twin tiers

Approved by the Board of Directors
December 7, 2006
Amended August 2, 2007

DUE DILIGENCE POLICY AND PROCEDURE

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CFTT DUE DILIGENCE POLICY AND PROCEDURES

A. PURPOSE

The Community Foundation for the Twin Tiers (CFTT) is committed to insuring that all grant funds are used for charitable purposes that benefit the communities it serves.

B. POLICY STATEMENT

For each type of grant the Foundation distributes, every effort is made to research and document the charitable nature of the organization or grant use. The Community Foundation is committed to the principles of good grantmaking and due diligence that includes, but is not limited to, the following:

- Grants are only made for charitable purposes.
- Grants are only made to organizations that are in good financial health and well managed, and grants are only made for projects that are well conceived and likely to be successful.
- No benefits shall accrue from any grant to any staff member, or staff member's family. Further, no benefit from any grant shall accrue to any advisor, volunteer or donor who is involved in the grant review or recommendation of a grant.
- Grants are used by each grantee for the appropriate purposes as approved by the Foundation's Board of Directors.

C. OVERALL PROCEDURES

1. Grants only for charitable purposes.

Staff is responsible for ensuring that all grantees have public charity 501(c)(3) status and that the proposed project falls within the scope of the CFTT's charitable mission.

In addition, all grantees are required to indicate that they are a public charity and that all funds will be used for charitable purposes. In the case of competitive grants, an official representative of the grantee must sign a "Terms of Grant Agreement" (copy attached), which indicates the organization's agreement to these two requirements. In the case of noncompetitive grants, such as Donor Advised Grants and Designated Grants, the grant award letter specifically notes that the grant requires the grantee to be a 501(c)(3) public charity and the grant award must be used for charitable purposes. The award letter further states that by cashing the enclosed grant check, the grantee agrees to these stipulations.

2. Grants are only made to organizations in good financial health and well managed, and grants are only made for projects that are well conceived and likely to be successful.

Staff is responsible for the thorough review of each competitive application received by the Foundation. The result of this review is included in the written grant review prepared by the staff. This written review of the agency and its proposed project is provided to the appropriate County Advisory Board for its review and consideration before they make their recommendations to the Board of Directors who makes the final decisions regarding grant awards.

In the case of each recommended grant, staff must submit a “Grant Ready List” indicating that all of the required major items of due diligence have been completed. (See attached.) These items include:

- Reviewing the agency’s financial audit
- Checking the proposed project budget
- Checking the applicant’s legal name and its 501(c)(3) letter
- Ensuring that the fund that will support the grant is appropriate given the charitable purpose of the fund as established by the donor(s)

3. No benefits shall accrue from any grant to any staff member or staff member’s family. Further, no benefit from any grant shall accrue to any Director, advisor, volunteer or donor who is involved in the grant review or recommendation of a grant.

On an annual basis, all staff and Directors complete conflict of interest statements indicating the organizations with which they have potential conflicts. Furthermore, all advisory committees that review grant applications adopt a standard conflict of interest policy, which requires the disclosure of all conflicts of interest. If a director or volunteer has a conflict with a particular grant application, then the person does not vote on the grant recommendation.

In the case of Donor Advised Grants, each donor advisor must indicate that they receive no benefit from each grant they recommend. When a donor advisor submits a grant recommendation in writing, the form used by the Community Foundation contains language indicating that the grant recommendation will not provide benefit back to the donor advisor. By signing the form, the donor advisor certifies that there will be no benefit. Also, each donor advisor receives a copy of the Foundation *Handbook for Donor Advisors* that clearly states that no grants may be recommended that will result in any type of benefit back to the donor or his/her family.

4. Grants are used by each grantee for the appropriate purposes as approved by the Foundation’s Board of Directors.

All competitive grants require a written final report including a financial statement of how the grant was spent. It is the staff’s responsibility to review the grant report and to make sure that the grant money was used for its intended purpose that is the purpose approved by the Foundation’s Board of Directors. If the funds were not used for the intended purpose, the Foundation asks for the funds to be returned.

D. SPECIFIC PROCEDURES FOR EACH KIND OF FUND

1. Discretionary Grants from Unrestricted and Field of Interest Funds (Competitive proposal review process)

Organizations may submit a concept proposal application at any time. The concept proposal application includes some basic information about the organization and proposed project, a two-page narrative about the organization’s mission and its project goals and a project budget. After review by appropriate staff and county committees, recommended proposals are chosen for board consideration. The organization’s tax determination letter, most recent audited financial statements, current year operating budget, and a list of the current members of the organization’s

board of directors are among the documents required with each competitive grant proposal. Old tax determination letters or letters for which the advance ruling period has expired are checked against I.R.S. Publication 78 as posted on-line. Once all materials have been received and reviewed, staff may conduct site visits and interviews as warranted by the proposal. The Board then reviews proposal summaries before voting on a funding decision.

Once grants are approved, staff determines the applicability of field of interest funds for grant payment by reviewing the donor's intent as outlined in the fund agreement or other instrument.

2. Designated Grants (Non-competitive process)

Before creation of a designated fund agreement or upon notification of a bequest of a designated fund, the designated organization's charitable status is confirmed and documentation is gathered for the fund's file.

3. Donor Advised Grants

Upon signed recommendation from the appropriate donor advisor(s), grants of any size made to organizations that appear on the Foundation's "Eligible Organizations List" will be considered pre-approved by the Board for payment. These grants are ratified by the Board at the next regularly scheduled Board meeting.

The "Eligible Organizations List" consists of organizations that 1) have been awarded grants (discretionary, designated or donor advised) from the Foundation during the past three years or are category 1 or 2 United Way agencies.

Religious organizations, government agencies, public and private schools and nonprofit hospitals may also be tentatively approved by the Board pending confirmation by Foundation staff of the specific organizations or projects charitable nature.

A list of Eligible Organizations is reviewed and approved annually by the Board.

Should a donor advisor recommend a grant that does not meet the criteria listed above, the Board can approve the grant distribution pending review of appropriate documentation. Appropriate documentation will include IRS tax determination letter or verification in Publication 78, a list of the board of directors and the organization's most recent financial statements or Form 990.

Recommendations from donor advised funds for grants to international organizations require staff review in strict accordance with I.R.S. guidelines for international grantmaking and approval by the Board.

The Community Foundation for the Twin Tiers **does not make grants to supporting organizations that are determined to be a Type III non-functionally integrated 509(a)(3) supporting organization.** In addition, **the CFTT does not make grants to any type of 509(a)(3) supporting organization determined to be controlled by one or more donor advisors (and any related parties) to a donor advised fund.** The following definitions describe the relevant terminology:

- a. **Type I:** By far the most common, is often described as a parent-subsidary relationship and generally involves the charity appointing a majority of the board of the supporting organization.
- b. **Type II:** The least common of the three, there is usually an overlapping board relationship where at least a majority of the members of the supporting organization board are also members of the supported charity's board.
- c. **Type III:** These operate with a greater degree of independence from the organization they support. Typically the supported organization appoints one member of the governing board of the supporting organization and institutes other procedures designed to ensure that the supporting organization is responsive to it. Type III supporting organizations may provide financial support to their supported organization or they may directly carry out a program or function for it.
- d. **Functionally Integrated:** The supporting organization is an "integral part" of the organization(s) it supports. The supporting organization performs the functions of or carries out the purposes of the supported organization and, but for the supporting organization, the supported organization would normally engage in those activities directly.
- e. **Control by one or more disqualified persons:** A supporting or supported organization is controlled by one or more disqualified persons [community foundation donor advisor(s)] if any such persons by aggregating their votes or positions of authority, could require the supporting or supported organization to make an expenditure, or prevent the supporting or supported organization from making an expenditure, regardless of the method by which the control is exercised or exercisable.

When a donor recommends a grant to a 509(a)(3) supporting organization, the following steps must be taken before the grant is approved and paid.

I. Determination of Type of Supporting Organization

1. The CFTT will obtain the following documentation from the organization for which a grant is recommended:
 - a. A reasoned written opinion of their legal counsel concluding that the organization is a Type I, Type II, or functionally integrated Type III supporting organization. The letter should stipulate that counsel has reviewed the organization's governing instruments and should state the reasons for their conclusions including reference to appropriate sections of the Pension Protection Act of 2006.
2. The CFTT will give the opinion letter to the appropriate grants review committee who will review the letter with the Board of Directors to obtain approval.
3. The Board of Directors will document in writing on the opinion letter the date, initials, and the approved Type Status before proceeding to step II (A).

4. Once such an opinion letter is received and approved, it will be considered valid for a period of three years. After that, before receiving an additional grant, the organization will be asked to resubmit a copy of the letter and to stipulate that there have been no changes to their legal structure that would affect the legal opinion.
5. The Chair of the Board see that the organization's information is entered in the CFTT database and that the opinion letter is placed in the organization's file.

II. Determination of Control by a Disqualified Person(s)

- A. For each new grant recommendation the CFTT must also obtain a list of the members of the board of directors of both the supporting organization and a list of the organization(s) it supports and of the members of their board(s) of directors.
 1. Board lists received from the organization within the past year may be used to meet this requirement for any additional grants recommended to the organization.
- B. Once organization type status has been approved the CFTT will:
 1. Send a copy of all board lists to the donor who recommended the grant along with a form to sign stating whether or not a disqualified person(s) controls any of the organizations. (This step is waived if the donor has signed a form related to the organizations within the past year.)
 2. Keep the original board lists in the organization's file while waiting for the signed donor form to be returned and make note of the date the board lists were received.
- C. Once the donor returns the signed form indicating there is no control, the CFTT will process the grant recommendation through the Donor Advised discretionary grant memorandum process. If a new form is not required because a donor has signed a form in the past year then a copy of the previously signed form will be attached.
- D. Affirmative determinations must be made as to both there being an eligible organization type and that there is no control by a disqualified person before a grant recommendation will be recommended for approval and paid.

III. Multi-year Grant Payments

- A. When a multi-year grant is approved:
 - a. The grant will be processed through the endowment grant process and a grant file will be established.
 - b. The grant will include a condition that the grantee submit updated lists of the members of the boards of directors of the supporting organization and the organization(s) it supports before subsequent years' payments are made.
 - c. The initial payment can be made in the year the grant is approved.

- B. The CFTT will take the following steps before each subsequent year's payment is made:
1. Obtain an updated list of the members of the board of directors of the supporting organization(s) and a list of the organization(s) it support(s) and of the members of their board(s) of directors.
 - a. Board lists received from the organization within the past year may be used to meet this requirement.
 2. Send a copy of the board lists to the donor who recommended the grant along with a form to sign stating whether or not a disqualified person(s) controls any of the organizations. (This step is waived if the donor has signed a form related to the organizations in the past year.)
 3. Place the original board lists in the organization's file along with the date they were received.
- C. Once the donor returns the signed form indicating there is no control, the CFTT will authorize payment and place the form and copy of the board lists in the grant file. If a new form is not required because a donor has signed a form in the past year a copy of the previously signed form is attached.

4. Scholarships

By their very nature, scholarship funds require great attention to detail regardless of who establishes them. IRS requirements dictate that the Foundation's files reflect the complete selection process, criteria for determining recipients, and selection committee members. The Foundation's processes require that staff insure donor intent and continually monitor fund administration and that the Board of Directors make the final determination of scholarship recipients each year.

The scholarship fund recipients are maintained in the CFTT's database and a Fund Profile Worksheet is developed for each fund and is based on the language in the contract agreement that created the Fund(s). The CFTT Board of Directors must appoint the members of the selection of committee. While an advisor may certainly suggest some members of the committee, the CFTT Board has the power to accept or reject any suggestion.

The selection committee members are maintained in the Fund's record and approved annually by the CFTT Board of Directors. They may include the high school principle, guidance counselors, appropriate subject matter department heads or coaches or appropriate representatives of the community who are qualified to participate in choosing the scholarship recipient due to their expertise. Members of the CFTT Board of Directors may also serve as members of a selection committee. All members of selection committees are required to abide by the CFTT's Scholarship Advisory Committee Conflict of Interest Policy.

The donor and related parties may sit on a selection committee but they cannot make up a majority of the committee. Related parties include relatives and employees of the donor. The

donor's attorney will generally be considered a related party. The donor may recommend for membership on the committee some who is not a related party; if the recommendation is based on objective criteria related to the expertise of the person recommended.

The spending rate and administrative fee percentage for the Foundation's Investment & Spending Policy and Fee Schedule are approved prior to the calculation of distribution amounts under the Investment & Spending Policy. Facilitators of specific funds are notified annually of the amount to be distributed.

Most scholarship awards are not paid directly to awardees. Students are sent a notification of their award, along with a Scholarship Remittance Form. The student is responsible for forwarding the Form to their school. Payments are released only when the completed form, and a copy of the student's tuition bill, is received by the Foundation.

E. EVIDENCE THE BOARD IS LOOKING FOR TO MAKE ITS DETERMINATIONS

1. Evidence of Good Financial Health

Good financial health is determined by view of these documents:

- A copy of the organization's Form 990 submission, or;
- A copy of the organizations most recent audited financial statement. In some cases, audited financial statements may not be available; in some instances the CFTT may accept unaudited financial statements.
- For public, for-profit, or individual prospective grantees, this information may not be available in similar forms. In these instances, a restrictive condition on the use of the grant may be imposed by the CFTT.

Prior Data: For nonprofit, charitable, educational, religious, or public organizations, information provided within two years of current consideration may be considered sufficient by the CFTT staff. If information on file indicates an advanced ruling for Section 501(c)(3) status, then the CFTT needs to ascertain whether or not a permanent ruling has been issued. This prior data exception does not apply to prospective for-profit, individual grantees, non-charities, or foreign charities.

2. Evidence of Program Consistency and Capacity

To help determine program consistency and capacity these documents will be needed:

- A copy of the organization's most recent Annual Report that includes a list of contributors and grantors to that organization during that year.
- A copy of the organization's mission statement if it is not included in the submitted Annual Report.
- A representative sample of recent organization newsletters and publications.
- ***For competitive grants only***, submission of a written proposal that responds to the guidelines for submitting a competitive grant request for the particular funding source,
- ***For competitive grants only***, a specific statement by the organization's board of directors, governing body or their designee, that the purpose of the grant is consistent with the organization's mission,

- A list of board members that indicates officers, professional affiliations, terms, and city of residence.

For for-profit, individuals, non-charities, or foreign charities, this requirement is judged on a case-by-case basis with requirements for each situation being determined by criteria that have been established for each related Fund in advance of the grant decision process. In most cases, for for-profits, individuals, non-charities, or foreign charities, prior data is not acceptable as a basis for assessment of qualification for a current grant.

3. Evidence of Non-Discrimination Policy and Statement of Commitment to Equal Opportunity in Hiring and Services

This requirement only applies to grants from competitive funds and can be met by these documents:

- This requirement may be satisfied by the submission of the organization's non-discrimination policy and statement of commitment to equal opportunity in hiring and services, or the submission of a resolution approved by the organization's board of directors attesting to non-discrimination and equal opportunity.
- The CFTT supports organizations that do not discriminate in their employment practices or delivery of programs and services on the basis of race, color, religion gender, economic circumstances, national origin, age, medical condition, sexual orientation, gender identity, veteran status, marital status, or any other characteristic protected by law.

4. Evidence of Commitment to Grant Terms

At the discretion of the CFTT staff, this evidence may take the form of an executed CFTT Grant Agreement or a countersigned Grant Award Letter from the CFTT that specifies the terms of the grant. (Please see the attached grant award letters for each type of CFTT grant.)

F. ANALYSIS OF EVIDENCE

Once the pertinent materials have been received, then the CFTT will review these materials and determine whether the prospective grantee qualifies for a grant distribution. If the CFTT's due diligence investigation determines that the prospective grantee qualifies for a grant distribution, then the grant may move forward in the grant award process.

If the CFTT due diligence investigation determines that more information is needed beyond the scope of due diligence information prescribed in this policy, then the CFTT shall request that specific information and, upon receiving it, shall reassess whether the prospective grantee qualifies for a grant distribution.

If the CFTT due diligence investigation determines that the prospective grantee does not qualify for a grant distribution, then the CFTT shall inform the prospective grantee and if applicable the Advisor to the Fund making the grant of this decision and the application, designation, or nomination shall be considered rejected.

G. REPORTING REQUIREMENTS

Depending on the size and time period covered by the grant submission of semi-annual, annual, and final reports with accompanying financial reports are required.

APPENDIX A

CFTT TERMS OF GRANT AGREEMENT

PLEASE READ CAREFULLY!

I. Acceptance of Grant

The grant to your organization from the Community Foundation for The Twin Tiers is for the explicit purposes(s) described in the Grant Resolution and is subject to your acceptance of the terms described therein.

To accept the grant and receive the funds, return a signed copy of this “Terms of Grant Agreement” to the Community Foundation for The Twin Tiers. Keep the other copy for your files. Please refer to the grant number and title in all communication concerning the grant.

Grantee:

«Organization»

Date Authorized:

<<Date>>

Grant Number:

#«GrantNum»

Amount Granted:

«GrantAmt»

Grant Resolution:

RESOLVED, that a grant of «GrantAmt» to «Organization» for «Description», be approved.

Grant Period:

Begins – <<Date>>

Terminates – <<Date>>

II. Review of Grant Activity

The grantee will furnish the Community Foundation for The Twin Tiers with written reports according to the following schedule:

Final Report Due – <<Date>>

«Organization»
#«GrantNum»

III. Special Provisions

In accepting this grant, the grantee agrees to the following conditions:

1. To use the funds granted solely for the purpose stated.
2. To repay any portion of the amounts granted which is not used for the purpose of the grant.
3. To return any unexpended funds if the grantee loses its exemption from Federal income taxation as provided under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or (b) as a governmental entity or political subdivision within Section 170 (c) of the Code.
4. To maintain books and records adequate to verify actions related to this grant should this prove necessary.

IV. Publicity

The Community Foundation encourages you to make appropriate public announcements of the receipt of this grant. We would appreciate receiving a copy of any such announcement, as well as copies of any and all newspaper and other articles related to this grant.

For the Grantee:

Signature of Authorized Representative

Date

Signature of Project Director (if different)

Date

APPENDIX B

COMMUNITY FOUNDATION FOR THE TWIN TIERS READY LIST

(A signed copy of this check-list must be included with all recommended grants.)

Grant # _____; Organization _____

___ This is a 501c3 organization? If IRS letter is NOT in the application file, then please indicate how this was determined.

___ Are you using the correct legal name of the organization? Our database application record, the application write-up, and the label on folder should all use the correct legal name and **THEY ALL MUST MATCH!** There will be times when the IRS letter does not match the legal name; in these cases please use their current legal name. Their audit is a good place to check; usually in footnote #1.

___ Have they submitted their present Board list? [Anyone on our board?]

___ Have they submitted their most recent audit? It must be the latest. In rare cases we will make a grant to an organization that does not have an audit. In this case you must note this in the write up (“according to unaudited financial statements”).

___ Did you visit them or at least talk to them? Have all of your questions been answered adequately?

___ Is budget reliable and defensible?

___ Please make sure that the resolution language is jargon free. This language ends up in our annual report.

Avoid: Support for the ABAC program
Good: Support for a parenting program.

___ Do you want to add any conditions to the grant? This language is part of the resolution, and usually follows this form:

Payment of the grant is conditional upon the XXXXXXXX.

___ Any previous grants? [Note in write-up] Did we receive a final report? Were there any outstanding issues or problems with previous grant? These must be resolved before we make a new grant.

___ Correct Fund assignment? Are you sure that the recommended grant fits with the charitable purpose of the fund, as established by the donor(s).

Please complete and submit with write-up when ALL of the above are correctly resolved.

Signature _____

Date _____

Print Name _____

APPENDIX C
CFTT SAMPLE ANNOUNCEMENT LETTERS
MULTIPLE FUNDS ANNOUNCEMENT LETTER

May 3, 2006

Name
Address
City, State, Zip

RE: Grant # _____
Program Title: _____

Dear _____,

We are pleased to inform you that the Board of Directors of the Community Foundation has approved a grant of \$ _____ to support the above project. This grant will be made in payments from the funds below. Individual letters of appreciation may be sent to these donors in care of the Foundation.

Fund(s): ABC Fund, Joe and Mary Scott Fund, and the Dr. John White Fund

Please plan on attending a Grant Report and Information Sharing Meeting on <<day of week>>, <<Date and Year>> from <<Time>> at <<Place>>, <<Address>>. *Describe how to get there.*

Please read the attached terms of this grant award. As an indication of your understanding and acceptance of the terms, please sign and return this copy. Contact the CFTT with any questions. Congratulations and best wishes for continued success.

Sincerely,

Marilyn A. Bok
Board Chair

Enclosure

ACCEPTED AND AGREED:

Signature

Title

Date

MULTIPLE FUNDS AWARDS TERMS

Date: _____

Grant #: _____

Organization: _____

TERMS OF THE CFTT GRANT AWARDS

1. Grant funds must be used within the timeframe and for the purposes outlined in your funded proposal. Any significant changes must be reported to the CFTT.
2. Grants of \$10,000.00 or more will be paid out in two payments. The first payment will be sent after the receipt of your signed Grant Agreement, which is due immediately. The second payment will be paid after the receipt of your semi-annual progress report, which is due by <<Date>>. A final grant report is due by <<Date>>. Your grant report should include your Grant #, a financial report of all revenue and expenses, number of participants served, activities provided by staff or volunteers, progress observed, unanticipated challenges, outcomes, lessons learned and future plans.
3. In publishing information about this grant/project, please use our complete name *The Community Foundation for the Twin Tiers* in your acknowledgement.
4. Please sign the letter at the bottom as your acceptance of these terms. Return the signed original to us. *The enclosed copy is for your files.*
5. The Grantee agrees to indemnify, defend and hold harmless the Foundation and its agents and employees from any liability, loss, cost, injury, damage or other expense that may be incurred by the Foundation or claimed by any third party against the Foundation as a result of the Foundation's funding of the grant/project or any action or non-action taken in connection with the grant/project.
5. This grant may not be used to fulfill any pledges; it is a one-time grant and does not constitute a commitment for any future grants. If you are unable to proceed with the project as proposed, please contact the CFTT. Failure to follow up with a signed grant agreement or written communication within six months of this letter will nullify this grant award. Please use your grant number (at the top of this letter) in your correspondence to us.

ENDOWMENT FUNDS ANNOUNCEMENT LETTER

May 3, 2006

Name
Address
City, State, Zip

RE: Grant # _____
Program Title: _____

Dear _____,

We are pleased to inform you that the Board of Directors of The Community Foundation has approved a grant of \$_____ to support the above project. This grant will be made in payments from the funds below. A letter of appreciation may be sent to these donors in care of the Foundation.

Fund(s): Jane and Eric Jones Fund

Please plan on attending a Grant Report and Information Sharing Meeting on <<day of week>>, <<Date and Year>> from <<Time>> at <<Place>>, <<Address>>. *Describe how to get there.*

Please read the attached terms of this grant award. As an indication of your understanding and acceptance of the terms, please sign and return this copy. Contact the CFTT with any questions. Congratulations and best wishes for continued success.

Sincerely,

Marilyn A. Bok
Board Chair
Enclosure

ACCEPTED AND AGREED:

Signature Title Date

ENDOWMENT FUND AWARD TERMS

Date: _____
Grant #: _____
Organization: _____

TERMS OF CFTT GRANT AWARDS

1. Grant funds must be used within the timeframe and for the purposes outlined in your funded proposal. Any significant changes must be reported to the CFTT.
2. Grants of \$10,000.00 or more will be paid out in two payments. The first payment will be sent after the receipt of your signed Grant Agreement, which is due immediately. The second payment will be paid after the receipt of your semi-annual progress report, which is due by <<Date>>. A final grant report is due by <<Date>>. Your grant report should include your Grant #, a financial report of all revenue and expenses, monthly record of programs and participants (#), activities provided by staff or volunteers, progress observed, unanticipated challenges, outcomes, lessons learned and future plans.
3. In publishing information about this grant/project, please use our complete name *The Community Foundation for the Twin Tiers* in your acknowledgement.
4. Please sign the letter at the bottom as your acceptance of these terms. Return the signed original to us. *The enclosed copy is for your files.*
5. The Grantee agrees to indemnify, defend and hold harmless the Foundation and its agents and employees from any liability, loss, cost, injury, damage or other expense that may be incurred by the Foundation or claimed by any third party against the Foundation as a result of the Foundation's funding of the grant/project or any action or non-action taken in connection with the grant/project.
6. This grant may not be used to fulfill any pledges; it is a one-time grant and does not constitute a commitment for any future grants. If you are unable to proceed with the project as proposed, please contact the CFTT. Failure to follow up with a signed grant agreement or written communication within six months of this letter will nullify this grant award. Please use your grant number (at the top of this letter) in your correspondence to us.

LAST DOLLAR GRANT ANNOUNCEMENT LETTER

May 3, 2006

Name
Address
City, State, Zip

RE: Grant # _____
Program Title: _____

Dear _____,

We are pleased to inform you that the Board of Directors of The Community Foundation has approved a grant of \$_____ as a **Last dollar grant** to support the above project. **The grant will be paid after all the funds needed to purchase the simulator has been received or pledged. Please send copies of all letters of grant awards and pledges to the attention of Marilyn Bok, Board Chair.** The grant will be made payable to the <<Name>>, which was identified as your fiscal sponsor. This grant is made possible by the funds below.

Fund(s): Bluecoats of Bradford County Fund and the General Fund

Please read the attached terms of this grant award. As an indication of your understanding and acceptance of the terms, please sign and return this copy. Contact the CFTT with any questions. Congratulations and best wishes for continued success.

Sincerely,

Marilyn A. Bok
Board Chair

Enclosure

ACCEPTED AND AGREED:

Signature Title Date

LAST DOLLAR AWARD TERMS

Date: _____
Grant #: _____
Organization: _____

TERMS OF CFTT GRANT AWARDS

1. **Conditions: Last dollar grant.** Grant funds must be used within the timeframe and for the purposes outlined in your funded proposal. Any significant changes must be reported to the CFTT.
2. Grant report: A final grant report is due by <<Date>>. **Your grant report should include your Grant #, a report of number of police departments and participants, progress observed, unanticipated challenges and outcomes.**
3. In publishing information about this grant/project, please use our complete name *The Community Foundation for the Twin Tiers* in your acknowledgement.
4. Please sign the letter at the bottom as your acceptance of these terms. Return the signed original to us. *The enclosed copy is for your files.*
5. The Grantee agrees to indemnify, defend and hold harmless the Foundation and its agents and employees from any liability, loss, cost, injury, damage or other expense that may be incurred by the Foundation or claimed by any third party against the Foundation as a result of the Foundation's funding of the grant/project or any action or non-action taken in connection with the grant/project.
6. This grant may not be used to fulfill any pledges; it is a one-time grant and does not constitute a commitment for any future grants. If you are unable to proceed with the project as proposed, please contact the CFTT. Failure to follow up with a signed grant agreement or written communication within six months of this letter will nullify this grant award. Please use your grant number (at the top of this letter) in your correspondence to us.

CHALLENGE GRANT AWARD TERMS

Date: _____
Grant #: _____
Organization: _____

TERMS OF CFTT GRANT AWARDS

1. **Conditions: 1:2 challenge grant (cash only) up to \$ 10,000.** Grant funds must be used within the timeframe and for the purposes outlined in your funded proposal. Any significant changes must be reported to the CFTT.
2. Grant payment: The initial grant of \$ _____ will be paid after the receipt of your signed Grant Agreement, which is due immediately. The second payment \$ _____ will be sent upon the fulfillment of your challenge grant. The mid-year progress report is due by <<Date>>. A final grant report is due by <<Date>>. **Your grant report should include your Grant #, a financial report of all revenue and expenses, record of participants served, activities provided by staff or volunteers, progress observed, unanticipated challenges, outcomes, lessons learned and future plans.**
3. In publishing information about this grant/project, please use our complete name *The Community Foundation for the Twin Tiers* in your acknowledgement.
4. Please sign the letter at the bottom as your acceptance of these terms. Return the signed original to us. *The enclosed copy is for your files.*
5. The Grantee agrees to indemnify, defend and hold harmless the Foundation and its agents and employees from any liability, loss, cost, injury, damage or other expense that may be incurred by the Foundation or claimed by any third party against the Foundation as a result of the Foundation's funding of the grant/project or any action or non-action taken in connection with the grant/project.
6. This grant may not be used to fulfill any pledges; it is a one-time grant and does not constitute a commitment for any future grants. If you are unable to proceed with the project as proposed, please contact the CFTT. Failure to follow up with a signed grant agreement or written communication within six months of this letter will nullify this grant award. Please use your grant number (at the top of this letter) in your correspondence to us.

NEW CASH DONATION CHALLENGE GRANT ANNOUNCEMENT LETTER

May 3, 2006

Name
Address
City, State, Zip

RE: Grant # _____
Program Title: Challenge Grant: _____

Dear _____,

We are pleased to inform you that the Board of Directors of the Community Foundation has approved a grant of \$ _____ to support the above project. This grant will be made in payments from the funds below. A letter of appreciation may be sent to these donors in care of the Foundation.

Fund(s): Jane and Eric Nord Fund

Please plan on attending a Grant Report and Information Sharing Meeting on <<day of week>>, <<Date and Year>> from <<Time>> at <<Place>>, <<Address>>. *Describe how to get there.*

Please read the attached terms of this grant award. As an indication of your understanding and acceptance of the terms, please sign and return this copy. Contact the CFTT with any questions. Congratulations and best wishes for continued success.

Sincerely,

Marilyn A. Bok
Board Chair

Enclosure

ACCEPTED AND AGREED:

Signature Title Date

NEW CASH DONATION CHALLENGE GRANT AWARD TERMS

Date: _____
Grant #: _____
Organization: _____

TERMS OF THE CFTT GRANT AWARDS

1. **Conditions: 1:1 challenge grant (new cash donations only) up to \$10,000.** Grant funds must be used within the timeframe and for the purposes outlined in your funded proposal. Any significant changes must be reported to the CFTT.
2. Grant payment: The initial \$ _____ will be paid after the receipt of your signed Grant Agreement, which is due immediately. The second payment will be sent when you have fulfilled the conditions of your challenge grant. A semi-annual progress report is due by <<Date>>. A final grant report is due by <<Date>>. **Your grant report should include your Grant #, a financial report of all revenue and expenses, report of programs and participants, activities provided by staff or volunteers, progress observed, unanticipated challenges, outcomes, lessons learned and future plans.**
3. In publishing information about this grant/project, please use our complete name *The Community Foundation for the Twin Tiers* in your acknowledgement.
4. Please sign the letter at the bottom as your acceptance of these terms. Return the signed original to us. *The enclosed copy is for your files.*
5. The Grantee agrees to indemnify, defend and hold harmless the Foundation and its agents and employees from any liability, loss, cost, injury, damage or other expense that may be incurred by the Foundation or claimed by any third party against the Foundation as a result of the Foundation's funding of the grant/project or any action or non-action taken in connection with the grant/project.
6. This grant may not be used to fulfill any pledges; it is a one-time grant and does not constitute a commitment for any future grants. If you are unable to proceed with the project as proposed, please contact the CFTT. Failure to follow up with a signed grant agreement or written communication within six months of this letter will nullify this grant award. Please use your grant number (at the top of this letter) in your correspondence to us.

Sample School Scholarship Awards Announcement Letter

Date:

To: Name of School or University
Address.
City, State, Zip

From: <<Staff Name, Title>>

The students listed below have received the referenced scholarship award(s) from the Community Foundation for the Twin Tiers. Complete payment accompanies this letter.

Scholarship awards are for tuition, fees, books or equipment needed for course work while this student attends your institution. Unused scholarship funds must be returned to the Community Foundation. If any part of this scholarship is used for anything other than the previously stated expenses, it will be necessary for the recipient to claim that portion of the scholarship as income, as specified in the Internal Revenue Act of 1986.

If the student receives financial aid, this scholarship is intended to reduce the student loan and/or work-study portion of the student's financial aid package. It is our intent that grant aid previously offered to the student should not be reduced unless the reduction is required by federal or state law.

Please advise me immediately of any of the following situations:

1. The student does not register for the coming academic term.
2. The student withdraws from classes after the beginning of the term.

Your assistance and cooperation is very much appreciated. Please do not hesitate to contact the Community Foundation for the Twin Tiers at 570-888-4759.

<u>Student Name</u>	<u>SSN</u>	<u>Scholarship Awarded</u>	<u>Amount(s) Awarded</u>
Doe, Jane M	279902449	Victor & Carla Ross Scholarship Fund Athens High School Scholarship Fund	\$300.00 \$500.00
		Total for: Doe, Jane M	<u>\$800.00</u>
Donnelly, Lauren M	279860809	Eagles Mere Lions Scholarship	\$500.00
		Total for: Donnelly, Lauren M	<u>\$500.00</u>
Lopez, Joanna N	286847606	Owego Free Academy Scholarship	\$1,500.00
		Total for: Lopez, Joanna N	<u>\$1,500.00</u>
		Total of Check Enclosed:	<u><u>\$2,800.00</u></u>

*Community Foundation for the Twin Tiers
316 Bressler Street
Sayre, Pennsylvania 18840
Phone (570) 888-4759 • Fax (570) 888-0814
E-mail cftt@stny.rr.com / Website www.twintierscf.org*

APPENDIX D

SAMPLE 509(A)(3) SUPPORTING ORGANIZATION LETTERS

For 509(a)(3) organizations currently approved to receive grants.

To: 509(a)(3) Supporting Organization
From: The Community Foundation for the Twin Tiers
Date:
Re: Pension Protection Act of 2006

Your organization has been recommended to receive a grant from a donor advised fund of The Community Foundation for the Twin Tiers. Because your organization is classified as a 509(a)(3) supporting organization by the Internal Revenue Service, we need additional information from you before taking further action on this grant recommendation. Please send us a list of the members of the board of directors of your organization and a list of the organization(s) you support and of the members of their board of directors.

Thank you for your assistance. Once we have received this information we will take further action with regard to the donor's recommendation to the Foundation to make a grant to your organization.

For 509(a)(3) organizations not currently approved to receive grants

To: 509(a)(3) Supporting Organization
From: The Community Foundation for the Twin Tiers
Date:
Re: Pension Protection Act of 2006

Your organization has been recommended to receive a grant from a donor advised fund of The Community Foundation for the Twin Tiers. Because your organization is classified as a 509(a)(3) supporting organization by the Internal Revenue Service, we need additional information from you before taking further action on this grant recommendation. Please send us the following:

1. A reasoned written opinion of your legal counsel concluding that your organization is a Type I, Type II, or functionally integrated Type III supporting organization. The letter should stipulate that counsel has reviewed your governing instruments and should state the reasons for their conclusions including reference to appropriate sections of the Pension Protection Act of 2006.
2. A list of the members of the board of directors of your organization and a list of the organization(s) you support and of the members of their board of directors.

Thank you for your assistance. Once we have received this information we will take further action with regard to the donor's recommendation to the Foundation to make a grant to your organization.

**Sample Letter to the Donor of a Donor Advised Fund
Who Recommended a Grant to a 509(a)(3) Supporting Organization**

Sign Off on Exercise of Control over Organization Recommended for Grant

To:

From: Donor Services

Date:

Re: Compliance with the Pension Protection Act of 2006

On *(date)* you recommended a grant of *(\$ amount)* to *(organization name)* for *(grant purpose)* from *(name of fund)* of the Community Foundation for the Twin Tiers. This organization is classified by the Internal Revenue Service as a 509(a)(3) supporting organization.

The Pension Protection Act of 2006 restricts the Foundation in making grants from donor advised funds to supporting organizations if the organization or the organization(s) it supports is controlled by one or more donor or donor advisors (and any related parties) to the donor advised fund. An organization is considered to be controlled if any such person may, by aggregating their votes or positions of authority, require the supporting or supported organization to make an expenditure, or prevent the supporting or supported organization from making an expenditure, regardless of the method by which the control is exercised or exercisable.

Enclosed is a list of the members of the board of directors of *(organization name)* as well as a list of the organization(s) it supports and of the members of their board(s) of directors.

Please indicate below whether you and any other donor advisors (and any related parties) of the *(name of fund)* exercise such control over these organizations, and then sign below.

Yes _____

No _____

Name

Date

Return this signed copy to the Foundation. Once we have received this form we will take additional action on your grant recommendation. Thank you for your assistance.

APPENDIX E
NOTIFICATION FORM FOR SCHOLARSHIPS ADMINISTERED BY
THE COMMUNITY FOUNDATION FOR THE TWIN TIERS

Use this form to notify the Community Foundation for the Twin Tiers of selected students. The form may be copied if there are more than two recipients of the same award. The form must be filled out completely or marked "not applicable" and the certification statement must be signed and dated by a guidance counselor, school administrator, or representative of the group or organization selecting scholarship recipients.

Name of Scholarship: _____

Recipient Name: SS#: Home phone: Home address & zip: Parent names & address: High School: College & address: Award amount: <i>(if known; complete for multiple recipients and unequal award amounts)</i> Payable to: <i>(if to the school, indicate school name and bursar's mailing address)</i>	Recipient Name: SS#: Home phone: Home address & zip: Parent names & address: High School: College & address: Award amount: <i>(if known; complete for multiple recipients and unequal award amounts)</i> Payable to: <i>(if to the school, indicate school name and bursar's mailing address)</i>
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I certify that an open, fair and equitable process was used to select the above student(s), that no members of any recipient's immediate family participated in the selection process, and that the criteria of the scholarship as determined by the donor and the Community Foundation were fully met.

Signed: _____ Date _____

Print Name and Title: _____

School, Group, or Organization: _____

Address & phone: _____

Send form to Community Foundation for the Twin Tiers, 316 Bressler Street, Sayre, PA 18840 or fax to (570) 888-0814, attention Marilyn A. Bok. At least 7 business days are required to process award letters or checks.