

## **CFTT Internal Processing Donor Advised Funds Policy**

### **The Standard**

The Community Foundation's governing Board of Directors approves all grants.

### **Methodology Used for Board Approval of Donor Advised Grants**

The CFTT's methodology for approving Donor Advised grants is:

- 1.) The board approves a list of grantees as "pre-approve."
- 2.) Any grants to these grantees are processed as pre-approved.
- 3.) At Board meetings, the Board receives two lists – pre-approved grants made and non-pre-approved grants to be approved.

### **Process**

Near the end of the calendar year, the Foundation compiles a list of Donor Advised grantees for the year, knowing they all have their 501(c)(3), etc. and are in good standing because they had received grants in the last 12 months. The list is checked to see that no organization's advance ruling has expired, etc.

In January of the following year the staff asks the Foundation Board to approve the list of grantees as "pre-approved." Any grant requests to these grantees are processed as pre-approved. The pre-approved grantees are coded as such in the CFTT's database.

As new applicants are identified, due diligence information is collected including:

- a) 501(c)(3) letter, the front page of their most recent 990,
- b) a copy of their most recent audit and budget,
- c) a copy of their board list,
- d) contact person with contact information,
- e) mission statement, and
- f) most recent newsletter/other organizational information.

At each Board meeting where grants are to be approved, the Board is provided with two lists of grants – those pre-approved since the last meeting where grants were approved and those that are being presented for current Board action. At each of these meeting, the Board also receives a list for approval of any new organizations to be added to the pre-approved list.

When information for grantees on the pre-approved list is 2 years old or older, updated financials are requested.

### **Outcome**

Increase in efficiency of Board time and the ability to process grant requests more quickly. This should provide increased service to donor advisors and to grantees.