



DUE DILIGENCE POLICY

CENTRAL KANSAS COMMUNITY FOUNDATION'S PROCEDURES FOR GRANT MAKING, INCLUDING SCHOLARSHIP GUIDELINES

Grants for Charitable Purposes

It is and shall be the policy of CKCF that, except as noted herein, or otherwise provided by law, all qualified applicants must possess a 501(c)(3) status under the Internal Revenue Service code, be exempt under statute (i.e. educational institution, church, a city or county), or be formally linked to an organization with such designation.

The grant application form is used to determine if the purpose of each grant request is charitable in nature. It is the responsibility of Foundation staff to ensure compliance with this provision, or confirm the legal and appropriate variance of a given grant. Evidence of such tax status will be verified before grant funds are dispersed. Primary data sources to verify public charity status include: IRS determination letter, IRS Business Master File, Exempt Organizations Select Check, National Center for Charitable Statistics, Charity Navigator and/or GuideStar.

Scholarships

CKCF will comply with all provisions of the Pension Protection Act of 2006 as they apply to scholarships held by CKCF. Specifically, the Board of Directors, or its designated committee, shall appoint all members of the scholarship selection committee, approve the procedure used in granting scholarships, ensure that scholarship recipients are not related to the donors, and ensure that donors or their representatives are not a majority on the selection committee.

Atypical Grant Making

Regardless of fund type, grants to organizations listed in Section 170(b)(1)(A) (vi) of the IRS Code do not require any further investigation.

However, under the Pension Protection Act of 2006, community foundations are required to determine the tax status of organizations named to receive grants from advisory funds. The following types of organizations require "expenditure responsibility" for grants made to them from advisory funds:

- Organizations other than those listed in Section 170(b)(1)(A)(vi)
- Type III organizations that are not functionally integrated
- Any supporting organization if the grantee supporting organization is controlled by the donor or donor appointee.

In situations where grants are requested from non-charities for a charitable purpose, such as public safety organizations, or other 501 (c) organizations, Expenditure Responsibility will be required.

Expenditure Responsibility

If the Foundation determines through the above stated processes that expenditure responsibility is required, it will generally perform the following steps:

- The Foundation will conduct a pre-grant inquiry to determine whether the proposed grantee is reasonably likely to use the grant for the specified purposes.
- The Foundation and Grantee will sign a written grant agreement with specific terms required by law.
- The grantee will maintain the grant funds in a separate account or demonstrate ability to show it is easily monitored as a subaccount on the grantee's books.
- The grantee will report to the grantor, in writing, not less than every six months during the term of the grant, explaining how it used the funds and describing its compliance with the grant terms and its progress toward the grant purposes.

Conflicts of Interest

On an annual basis, all staff, directors, consultants and committee members will complete conflict of interest statements indicating the organizations with which they have potential conflicts. Board members and committee members shall abstain from discussion and voting on matters of awards where he/she has a material conflict of interest.

Reports

Competitive grants require a written final report including a financial report of expenditures before the grant is closed out. There may also be times that staff will require a written final report on designated grants depending on circumstances that include but are not limited to, an emergency grant award.

Board Responsibility

The Board of Directors of the Foundation as well as the Executive Committee, which serves as the Grants Committee for the Foundation, holding the authority to review and approve grants and scholarships. Early each year once the available to spend is available the board of directors will vote to authorize the distributions of grants from funds. It further directs that staff will conduct and/or oversee the grant and scholarship selection processes. Board will be made aware of grants distributed monthly as part of finance report as a courtesy review of actual grant distributions.

A. General Grant Making Guidelines

1. For what purposes can we make grants and disbursements?

IRS rules prescribe that the assets of a 501(c) (3) organization such as the Central Kansas Community Foundation and its affiliates be used solely for charitable purposes. These exempt charitable purposes set forth in section 501(c) (3) are charitable, religious, educational, scientific, literary, testing for public safety, fostering national or international amateur sports competition, and preventing cruelty to children or animals.

The term charitable is used in its generally accepted legal sense and includes relief of the poor, the distressed, or the underprivileged; advancement of religion; advancement of education or science; erecting or maintaining public buildings, monuments, or works; lessening the burdens of government; lessening neighborhood tensions; eliminating prejudice and discrimination; defending human and civil rights secured by law; and combating community deterioration and juvenile delinquency.

In addition, grants and disbursements must be made to support activities specified by the donor, to the extent that there is a donor designation for a specific purpose.

Charitable purposes do not include expenditures that provide more than a minor personal benefit to one or more individuals (versus benefit to the public).

2. To whom can our foundation and affiliates make grants and disbursements?

Grants and disbursements from foundation funds for charitable purposes may take several forms:

- A. Grants to 501(c)(3) public charities (i.e. not private foundations)
- B. Grants to governmental entities (including cities, towns and school districts) for charitable activities
- C. Grants for charitable activities being carried out by non-501(c)(3) or non-governmental entities, but only if:
 - The charitable nature of the activity has been established through a grant application process
 - There is no personal benefit that is more than minor to one or more individuals (versus benefit to the public) from the grant; and,
 - Payments of the grant or disbursement are made either directly to vendors or as reimbursement to the grant recipient upon completion of the project, and documentation is provided for the expenditures.
- D. Direct disbursements furthering the charitable purpose of your foundation (e.g. promotion, donor solicitation, community celebrations and training)

3. Can we grant to an organization that tells us it is a nonprofit?

Nonprofit status is a state law concept that may make an organization eligible for certain state-level benefits, but it does not automatically grant the organization exemption from federal income tax. Ask to see the tax exemption letter that the organization received from the IRS. If the tax exemption letter states that the organizations tax-exempt under Section 501(c) (3) of the IRS code and the organization certifies on its grant application that it remains qualified, we may grant to them. If the organization is not tax-exempt or its exemption letter states that it is exempt under a different code section, you may grant only for specific charitable activities or the organization following the procedures described in paragraph C of question 2.

4. Can we grant to an organization that is tax-exempt under a different section of the IRS code, such as 501(c) (6) or 501(c) (7)?

Only organizations granted tax-exempt status is 501 (c) (3) are “charitable.”

There are many types of organizations that are tax-exempt but that are not charitable. See the table below for examples.

Grants to these organizations may only be made for specific charitable activities of that organization following the procedures in paragraph C, Question 2.

| Types of Organizations | Exempt under Section 501 |
|---|---------------------------------|
| Chamber of Commerce | (c) (6) |
| Membership Clubs (golf or recreation) | (c) (7) |
| Cemetery Associations | (c) (13) |
| Armed services organizations (VFW, American Legion, etc.) | (c) (19) |

5. What are examples of “strategic” grants that address long-term community building?

- K-12 education enhancements, such as curriculum that connects students to their local community.
- Support for vocational, fine arts, and entrepreneurship education to prepare youth for careers in their home town
- Grants to support and retain good teachers with additional education and enrichments resources
- Sponsoring leadership training for a broad base of community members to build skills in strategic planning, conflict resolution, delegation and leadership transition
- Sponsoring education events that increase awareness and encourage community dialogue about community issues and opportunities
- Funding HomeTown Competitiveness (or similar) activities
- Funding to bring entrepreneurship, business and marketing training to your community
- Support for youth entrepreneurship programs such as 4-H
- Investments in licensed, high-quality childcare centers operated by 501(c)(3) organizations (including churches)
- Providing scholarships to non-traditional students whose increased skills and education will benefit the community
- Providing scholarships to students with an interest in returning to the community (exception, DAFs cannot fund scholarships)
- Support for mentoring program such as Big Brothers/Big Sisters
- Support for programs such as FBLA, FFA, and 4-H

6. What are examples of other grants that fall within these rules?

- Public recreational facilities that are open and accessible to the entire community
- Library enhancements that would not otherwise be supported through local taxes
- Health care and wellness facilities and programs that serve the general public
- Fire and rescue equipment and training
- Support for community events such as parades or festivals open to the public
- Streetscape improvements that increase safety and enhance the physical environment
- Arts events and performances that are open and accessible to the public
- Human service programs for the underprivileged, such as food pantries, meals on wheels, holiday gift programs, transitional shelter and rehabilitation
- After school programs that offer educational and recreational opportunities

7. What are some examples of grants that would NOT be considered charitable and would not be allowed

- Grants to private, for-profit child care programs, as the benefit accrues to the owner of the facility
- Grants to the following organizations for general operating purposes or for activities not specifically charitable:
 - Golf clubs or other recreational clubs as the benefit accrues to the members of the club.
 - Chamber of Commerce
 - American Legion, VFW or similar organizations
 - A cemetery
 - For-profit entities

8. Five Common Grant Making Strategies to Support Economic Growth

- Entrepreneurship Education
- Workforce Training
- Business Technical Assistance
- Research and Feasibility Studies
- Community Economic Development Projects that remove barriers to development and prosperity

9. The “Normal Purpose Rule”

- Grants for any activity commonly undertaken by a unit of government qualify as being for 501(c)(3) purposes --- even if not otherwise charitable, educational, scientific, or religious – so long as it is legal for the specific jurisdiction
- Cannot be designated for a specific business, but you can focus on a site of a “class” of business
- Examples: blight reduction, site preparation, main street marketing, tax abatement, free utilities.

Two examples:

Demolition/Site Preparation

- Grant to tear down dilapidated structure and prepare site for redevelopment
- Site then sold to business
- Support: Grant to public Economic Development Authority for a business outcome: startup or expansion

Storefront Renovation

- Grant to city for “blight” removal
- Re-granted to main street businesses to spruce up storefronts
- Support: Grant to city with an outcome to capture tourists dollars and more local shopping

10. **Loan Programs** – Loans must have a charitable purpose: creating jobs in economically distressed areas; creating /retaining/improving jobs for low-moderate income workers; diversifying the local economy to promote economic stability; provide for critical community services, e.g. healthcare, groceries, etc.

- Rates and terms must reflect charitable intent – below market rates for the risk incurred and must fill a “financial gap.”
- Must be a reasonable expectation of repayment, with due diligence and collateral
- Appropriate servicing and collection – conscientious collection efforts appropriate to your local charitable purpose

B. GRANT DUE DILIGENCE PROCESS

1. Permitted Grants

Grants are disbursements requested by individuals or organizations that have a fund with CKCF. All grant payments from a donor advised fund must be made to a 501(c)(3) public charity located in the United States. No grants may be made (1) to organizations located outside of the United States, (2) to private non-operating foundations; (3) to political candidates or organizations, (3) to fulfill personal pledges, or (4) to organizations or persons listed on the Treasury OFAC Specially Designated Nationals and Blocked Persons (SDN) List. (www.ustreas.gov/offices/enforcement/ofac/sdn).

In addition, no grants may be made which result in the donor deriving a material benefit such as the purchase of a dinner at an event. Grants to individuals may only be made from a scholarship fund, which is subject to the Foundation guidelines on scholarships. No grants to individuals may be made from a donor advised fund. Vouchers and invoice payments for charitable projects not directly associated with a 501(c) (3) entity must be made through a field of interest fund. No such payments may be made from a donor advised fund.

2. Donor Intent

The Foundation is committed to ensuring that grants meet the original intent of the donor. To document donor intent, the donor is required to sign a fund agreement detailing the intended recipients of grants from the fund. In the case of a donor advised fund, donors may recommend grants each year as described in the donor advised fund agreement. Grant recommendations for donor advised funds are reviewed, subjected to due diligence procedures, and then recommended for approval by staff and knowledge of distribution to the Board of Directors.

In the instance that the donor is no longer living, the Board of Directors executes its Variance Power to select charities most closely resembling those originally selected by the donor. If the donor is living, but the charity is no longer in existence, the donor is contacted to update the terms and conditions of the fund agreement with the Foundation. If neither the donor is living nor the charity is in existence, the Board of Directors again honors the original intent of the donor by executing its Variance Power and selecting a charity most closely resembling that of the original intended recipient.

Donors with fund agreements with the Foundation can, at any time, request a grant be made to their favorite charity. In processing the grant request in accordance with the following processing procedures, the Foundation is honoring the intent of said donor. Furthermore, as a fail-safe, the annual audit of the Foundation's financials includes a cross-checking of grants with donor intent outlined in the fund agreements with the Foundation.

Other Grant Making processes are conducted as part of Competitive Grant Making cycles. CKCF conducts this based on Fund specifics (donor intent), regional opportunities (includes affiliate territories), special groups (Women's Community Fund), and more. Competitive processes, unlike Donor Advised Funds (DAF), include a broad cast of applicants based on the specifics of the grant cycle. These processes generally include a specific application, promotion to eligible charities, coordination of a selection committee and a follow up / summary report for evaluative purposes. Confidentiality and Conflict of Interest guidelines are followed for the selections committees. Public promotion of the recipients is promoted on our website in most cases.

3. Internal Processing

A grant suggestion form is completed at the Central Kansas Community Foundation based on the request of the grantor. The request is reviewed at CKCF and then forwarded to Greater Horizons for further review to detect any unauthorized payments (i.e. purchases of tables, fees, or to non-501(c) (3) organizations, etc.). The organization must be verified as a qualified organization by (1) Exempt Organizations Select Check, (2) calling the organization for a copy of their IRS status determination letter, or (3) obtaining this information via the online database GuideStar or NCCS. Once Greater Horizon's associates confirm the organization has been located on GuideStar using the organization's name or tax ID number it continues through accounting for processing. All grant suggestions are subject to approval from the Board of Directors and are brought before the Board of Director at the earliest meeting date following the request from the donor.

Once the organization has been located, the Greater Horizon's Donor Services associate processing the grant clicks on Charity Check, and saves the PDF in the profile folder in FIMS with this naming convention: FIMS

ID charity check mmdyyyy. They write the grantee's FIMS ID code on the form, verify the fund ID and verify the person signing the form is authorized to request distribution.

After the Donor Services associate provides the grantee ID and fund ID, verifies any special instructions and checks if the fund is endowed, the form is routed to the first Donor Accounting associate who enters the grant in the grants module. If it is an endowed fund, it goes to Director of Donor Accounting for approval. The Director will approve the amount or contact the CKCF if available dollars are not sufficient. The first Donor Accounting associate verifies the accuracy of the data entry by running an edit report. The grants are then posted and sent to a second Donor Accounting associate to print checks. The second Donor Accounting associate enters the check number according to batch number on the batch check log. The second Donor Accounting associate runs an edit report, verifies the entries and post the entries to the ledger.

Checks, along with supporting documents, are reviewed and initialed by the second Donor Accounting associate at Greater Horizon's to verify name, address, fund ID and amount. The second Donor Accounting associate initials next to the amount on the check stub and routes the checks to be signed authorized officers. Electronic signatures are authorized for payments below \$5,000. Checks over \$25,000 require two in-house signatures of Greater Horizon's leadership. Checks over \$200,000 require one in-house signature and the President's signature.

Signed checks are given to the second Donor Accounting associate for mailing. The check will then be mailed to the CKCF office and forwarded to the respective party after cross referencing it with check request logs.

C. UNRESTRICTED/DISCRETIONARY GRANTMAKING GUIDELINES

1. Discretionary Grants

The Board of Directors of Central Kansas Community Foundation may from time to time, and as such funds are available, make discretionary grants in an effort to ensure the inclusion and access of underrepresented geographical areas and individual organizations in the grant making process, and to ensure that critical needs of the community are met in a timely manner. The Board encourages applications from organizations that promote lasting economic opportunity and the mobilization of community resources for people who lack basic services.

The Community Foundation strongly promotes efforts that seek to address critical needs through integrated approaches that bring together diverse groups, develop collaborations among different segments of our communities, generate civic and community vitality, or promote civic engagement.

The amount available for unrestricted/discretionary grant making will be determined by March of each year following the year-end calculation and preparation of the "available to spend" report. The Executive Director will prepare a report identifying the amount and source of funds available for discretionary grant making for approval of the Board of Directors.

Affiliate Foundation's shall institute this as other CKCF policies unless an alternative policy for unrestricted/discretionary grant making has been formally written.

2. Measurable Results

Grant making should achieve progress and such progress should be measurable with specific results.

3. Intent

The Central Kansas Community Foundation casts a wide net into the region it serves and strives to establish relationships with community members, civic leaders, nonprofits, faith-based institutions, businesses and schools. Priority grant making includes, but is not limited to:

- Organizations meeting basic human needs, such as food, housing, and personal safety
- Access to basic healthcare
- The needs of children
- Disaster Response
- Organizational infrastructure hardship

The Community Foundation does not set a minimum amount for grant awards. Generally requests should not exceed \$15,000.

Discretionary grants of \$2,000 or less may be approved by the Executive Director of the Foundation. Requests in excess of \$2,000 will be reviewed and recommended for approval by the Executive Committee in their role as Grants Committee.

Distributions will be made known to Board of Directors in the normal reporting manner of all grant distributions.

4. Application/Letters of Inquiry

Letters of Inquiry will be accepted at any time during the year. Applicants should first submit a letter of describing the specific need to be addressed by the grant. The letter should include a description of the project or program for which funding is being solicited, the amount of funding being requested, and cite the community issue(s) that will be addressed. Letter of inquiry should provide contact information, including an email address and should be mailed to CKCF, 301 North Main, Suite 200, Newton, KS 67114.

An award may be made after review of the Letter of Inquiry; additional information may be requested and/or the applicant may be directed to upcoming competitive grant cycles to submit formal application to that specific funding.

D. Procedures of the Central Kansas Community Foundation for Awarding Scholarship, Fellowships and Other Grants to Individuals

1. Introduction: Scope and Intent of the Policy

The Central Kansas Community Foundation ("the Community Foundation") from time to time holds and administers certain funds (the "Funds") that provide scholarship grants to individuals, including high school, college and graduate school students, to enable the recipients to complete an undergraduate or graduate education in the field of their choice at the college or graduate school of their choice. The Community Foundation also holds and administers certain Funds that make grants to students in primary and secondary school to attend various educational programs and to other individuals for vocational or other training. Grants made from such Funds shall be referred to as "Scholarship Grants".

The Community Foundation also from time to time holds and administers certain Funds that make grants to individuals in recognition of achievement in the fields of art, literature, education, science, public or community

service, or for other charitable or civic achievement. Such awards may not be intended to finance any specific activities of the recipients and may not impose conditions on the manner in which the prizes or awards may be expended by the recipient. Grants made from such funds shall be referred to as “Individual Achievement Grants”.

The Community Foundation also from time to time holds and administers certain funds that make grants to individuals to achieve a specific objective, produce a report or other similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the grantee that relates to the Community Foundation’s mission. Eligible individuals may include graduate students, scholars, professionals, and other individuals with specialized skills or knowledge. Scholarships also may be awarded to pay for a course of study leading to a certificate or to achieve a skill level, such as art or vocational school. Such scholarships may cover the cost of tuition and related expenses. All grants described in this paragraph shall be referred to as “Awards and Prizes to Achieve a Specific Objective.”

The Community Foundation has established the following procedures pursuant to which Scholarship Grants, Individual Achievement Grants and Awards and Prizes to Achieve a Specific Objective will be awarded from funds where Donor-advisors have any advisory privileges or participation in the selection of grant or award recipients. The following procedures shall be interpreted so as to ensure the Community Foundation's compliance with all applicable requirements of the Internal Revenue Code, including Section 4966, accompanying Treasury Regulations and guidance from the Internal Revenue Service, and these procedures may be amended from time to time.

For purposes of these procedures, a Donor-advisor will be defined as an individual or organization, including a corporation, partnership or trust, that makes a contribution to a Fund where such Fund is separately identified by reference to contributions of the Donor-advisor and with respect to which the Donor-advisor (or any person appointed or designated by such Donor-advisor) has, or reasonably expects to have, advisory privileges with respect to the distribution or investment of amounts held in such Fund by reason of the Donor-advisor’s status as a donor.

Community Foundation values and encourages the interest and involvement of donors to funds established to make Scholarship Grants and Individual Achievement Awards. Such involvement may include developing criteria for awards, serving on grant selection committees and recommending others for places on selection committees.

2. Definitions

Advisor – A person appointed by a donor to have advisory privileges with respect to a Fund. The term also includes members of the advisor’s family and businesses controlled by the advisor and family members.

Donor – An individual or organization, including a corporation, partnership or trust, that makes a contribution to a Fund where such Fund is separately identified by reference to contributions of the donor and with respect to which the donor (or any person appointed or designated by such donor) has, or reasonably expect to have, advisory privileges with respect to the distribution or investment of amounts held in such Fund by reason of the donor/advisor’s status as a donor. The term also includes members of the donor’s family and businesses controlled by the donor and family members.

Educational Institution – An institution that has a regular faculty, a curriculum, and an organized body of students in attendance at the place where the educational activities are held.

Qualified Expenses – Certain expenses incurred in attending an educational institution. They are:

- Tuition and fees for enrollment and attendance.
- Course-related expenses – fees, books, supplies, and equipment required of all students for courses of instruction.
- Room and board, travel research, clerical assistance. Payments for expenses in this group are not exempt from income tax.

Related Persons – The term includes both a donor or advisor’s family members and businesses they control: Family Members – Shall be defined for CKCF purposes as an individual’s parents, grandparents, great grandparents, spouse, siblings, children, grandchildren, great grandchildren and the spouses of all the above, including those legally adopted as well as step-family relationships.

Controlled Businesses - Corporations, partnerships, and trusts or estates if the donor or advisor and family members own more than 35 percent of the total combines voting power (corporations), 35 percent of the profits interest (partnerships) or 35 percent of the beneficial interest (trusts or estates).

3. Selection of Grantees

Grantees are to be selected on an objective and nondiscriminatory basis. The group from which grant recipients are selected must be sufficiently broad so that giving grants to one or more members of the group fulfills a charitable purpose; however, selection from such a group is not necessary if one or more grant recipients are selected on the basis of their exceptional qualifications to carry out the purposes of the grant or it is otherwise evident that the selection is particularly calculated to effectuate the charitable purpose of the grant rather than to benefit particular persons or a particular class of persons. For example, selection of a qualified research scientist to work on a particular project does not violate the requirements of this paragraph if the scientist is selected from a group of three scientists who are experts in that field.

A. Scholarship Grants

In connection with Scholarship Grants, Community Foundation staff and designated members of selection committees established for such awards shall contact high school, college and graduate school administrators as well as managers of other relevant community institutions to advertise the availability of the Community Foundation's Scholarship Grants and to request that these administrators nominate potential candidates or encourage potential awardees to submit applications for scholarship aid.

B. Individual Achievement Awards

In connection with Individual Achievement Awards, Community Foundation staff and designated members of selection committees established for such awards shall contact relevant community institutions and individuals to publicize the availability of the Community Foundation’s Individual Achievement Awards and to solicit nominations for such awards. Candidates for such awards may take no part in the selection process.

C. Awards and Prizes to Achieve a Specific Objective

In connection with Awards and Prizes to Achieve a Specific Objective, Community Foundation staff shall develop application or nomination procedures that are appropriate to accomplish the purposes of the Fund under which any such award is established.

Eligibility:

Donor Intentions – To ensure adherence to the donors’ intentions in creating the fund, it is paramount that each memorandum of understanding (MOU) is referenced for conditions of eligibility. Aspects of a scholarship varies based on the donors intentions in establishing the fund.

Eligible Candidates – Those eligible to apply per individual scholarship must meet the general eligibility conditions to be viable candidates.

Related Persons can impact eligibility based on a number of factors.

A. If a scholarship is solely funded by the “donor” or the scholarship is established in a Trust then Related Persons and Family Members are ineligible to apply.

C. If the scholarship is funded 50% or more by Related Persons then Family Members as well as Related Persons are ineligible to apply.

Further it is noted that Related Persons are eligible to apply, in cases where a fund is held in a family name, when the scholarship is funded 50% or more by non-Related Persons. Annual evaluation of contributions to scholarships will be conducted by the Scholarship Program Officer to establish eligibility of Related Persons prior to each funding cycle.

5. Criteria for Selection

The criteria to be used in selecting grant recipients from a fund established at the Community Foundation must be based on criteria that are appropriate to accomplishing the underlying purpose of the grant as described in the agreement creating such Fund. Community Foundation staff should work with donors to establish Funds that fulfill the donor’s charitable goals and feature clear selection criteria.

A. Scholarship Grants

For Scholarship Grants, such criteria may include, but are not limited to, the following: prior academic performance, performance of each applicant on tests designed to measure ability and aptitude for educational work; recommendations from instructors of such applicant and any others who have knowledge of the applicant’s capabilities, additional biographical information regarding an applicant’s career, academic and other relevant experiences, financial need and conclusions which the grant selection committee may draw as to the applicant’s motivation, character, ability, or potential. Criteria may also include the applicant’s place of residence, past or future attendance at a particular school, past or proposed course of study or evidence of his or her artistic, scientific or other special talent. Preference may be given to applicants of a particular sex, race, ethnic background or religion so long as such preference does not violate public policy.

Recipients of Scholarship Grants must be (1) primary or secondary school students; (2) undergraduate or graduate students at a college or university who are pursuing studies or conducting research to meet the requirements for an academic or professional degree; or (3) students – whether full-time or part-time – who receive a scholarship for study at an educational institution that provides an educational program acceptable for full credit toward a bachelor’s or higher degree, or offers a training program to prepare students for gainful employment in a recognized occupation and is authorized under federal or state law to provide such a program and is accredited by a national recognized accreditation agency and all Scholarship Grants must be used for tuition and related expenses (as further described in Section VII below) at an educational institution described in

IRC § 170(b)(1)(A)(ii), i.e., such institution must normally maintain a regular faculty and curriculum and must normally have a regularly organized body of students in attendance at the place where the educational activities are carried on.

The Community Foundation reserves the right to impose additional, minor reasonable restrictions and/or requirements upon the awarding of Scholarship Grants and the administration of such grants. Any substantial or material changes will be made only with approval of the Community Foundation's Board of Directors.

B. Individual Achievement Awards

In connection with Individual Achievement Awards, such criteria may include but are not limited to: the individual's past achievements and community involvements, other biographical information regarding an applicant's career, academic and other relevant experiences.

The Community Foundation reserves the right to impose additional, minor reasonable restrictions and/or requirements upon the awarding of Individual Achievement Awards and the administration of such grants. Any substantial or material changes will be made only with approval of the Community Foundation's Board of Directors.

C. Awards and Prizes to Achieve a Specific Objective

In connection with grants to individuals to achieve a specific objective, produce a report or other similar product or improve or enhance a literary, artistic, musical, scientific, teaching or other similar capacity, skill or talent of the grantee that relates to the Community Foundation's mission, recipients may include graduate students, scholars, professionals or other individuals with specialized skills or knowledge. Criteria shall be related to the purpose of the Fund under which the award is established and may include prior experience, contributions to the field, demonstrated academic achievement, financial need, character, ability, motivation and potential. In connection with scholarships awarded to pay for a course of study leading to a certificate or a higher skill level, criteria shall be related to the purpose of the Fund under which the award is established and may include financial need, character, ability, motivation, potential and the relevance of the candidate's course of study and career objectives to the charitable purposes of the Fund.

IV. Grant Selection Committees

The Community Foundation shall appoint all members of any selection committee charged with the evaluation of candidates for Scholarship Grants and Individual Achievement Awards. Appointments most often will be made by the Program Officer at the Community Foundation in partnership with any recommendations in the fund agreement, with educational institution representatives (generally high school counselors), affiliate advisory boards and other parties so aligned with the award process. The final appointment of the committee will be taken before the Board of Directors.

No combination of Donors, persons recommended or designated by Donors (or persons related to any of these persons) to a Fund that makes Scholarship Grants or Individual Achievement Awards may, directly or indirectly, control any selection committee established in connection with such Fund. For example, Donors, persons recommended or designated by Donors and persons related to any of these persons shall not constitute a majority of any such selection committee (persons may include individuals, partnerships, corporations or trusts). Where a Donor recommends a person for appointment to a selection committee based on objective criteria related to the expertise of such person, such person will not be deemed to be appointed or designated by the Donor.

Donors and related persons may provide advice with respect to the selection of grant or award recipients solely as members of a minority member of the selection committee.

Every member of any selection committee charged with the evaluation of candidates for Scholarship Grants and Individual Achievement Awards shall adhere to the relevant policies of the Community Foundation as they may be adopted and amended from time to time, including without limitation a conflict of interest and confidentiality policy. Every member of any selection committee charged with the evaluation of candidates for Scholarship Grants and Individual Achievement Awards shall be obligated to disclose any personal knowledge of and relationship with any potential grantee under consideration and to refrain from participation in the award process in a circumstance where he or she would derive, directly or indirectly, a private benefit if any potential grantee or grantees are selected over others. No grant covered by this policy may be awarded to any member of the Community Foundation's Board of Directors, any substantial contributor to the Community Foundation, any employee of the Community Foundation, or any other disqualified person as defined in IRC § 4946(a) with respect to the Community Foundation, or, with respect to grants from a particular Fund, any Donor or substantial contributor to such Fund or any member of a selection committee to such Fund, or for a purpose that is inconsistent with the purposes described in IRC § 170(c)(2)(B).

Annually each selection committee member will complete a Confidentiality form and a Conflict of Interest Policy form. Annual updates to the forms may be made and material changes shall go before the board of directors for approval. Please note the format of these forms may vary from year to year and for individual and affiliate review processes. The general intention of each document will be preserved.

Conflict of Interest and Confidentiality Forms are required by all persons serving on the Selection Committee. Family members and others who may have a conflict of interest may not be eligible to serve on the Selection Committee. Situations include but are not limited to a distant relative is applying to a memorial scholarship established in the name of great-grandparent or a nephew through marriage is applying for a scholarship.

Each selection committee established under this policy shall forward its recommendations to the Central Kansas Community Foundation staff in such form and on such schedule as the staff shall establish. Current form is available in CKCF Policy folder. This is again a general example and depending on the nature of the award a less or more formal submission may be requested.

The Central Kansas Community Foundation Board provides community foundation staff the authority to approve any or all of the grants made under this policy. At the start of each year, the board of directors is provided with and approves the available to spend report. From this, staff is able to move the process of selection committee's final recommendations forward. The Board of Directors is provided grant reports monthly that reflect current distributions.

V. Application and Nomination Process

Applicants for Scholarship Grants and Awards and Prizes to Achieve a Specific Objective shall be required to submit such application forms and supporting materials as the Community Foundation may deem appropriate on a schedule to be determined by the Community Foundation. Individuals and organizations wishing to nominate others for Individual Achievement Awards shall also be required to submit such nomination forms and supporting materials as the Community Foundation may deem appropriate on a schedule to be determined by the Community Foundation.

VI. Grant Renewals

Grants will ordinarily be awarded for a one-year period, but may be for a shorter or longer period. A Scholarship Grant or an Award or Prize to Achieve a Specific Objective may be renewable for a period appropriate to the purposes of the Fund under which the award is established. Otherwise, the Community Foundation may consider renewing a grant on a case-by-case basis according to the status of the grantee's project and the purposes of the grant.

VII. Supervision of Scholarship Grants

A. General Procedures

Unless otherwise provided in the fund agreement establishing a Scholarship Grant, each Scholarship Grant shall be paid by the Community Foundation directly to the educational institution for the use of the scholarship recipient. Each educational institution must be described in IRC § 170(b)(1)(A)(ii) and must agree in writing to use the grant funds to defray the scholarship recipient's expenses or to pay the funds (or a portion thereof) to the recipient only if the recipient is enrolled at such educational institution and his or her standing at such educational institution is consistent with the purposes and conditions of the grant.

Unless otherwise provided in the fund agreement establishing a Scholarship Grant, a condition of each Scholarship Grant is that it will be used only for qualified tuition and related expenses within the meaning of IRC § 117(b)(2), and for room and board. Accordingly, a Scholarship Grant can be used only for: (1) tuition and fees required for the enrollment or attendance of the student at a qualifying institution; (2) fees, books, supplies, and equipment required for courses of instruction at such an educational institution; and (3) room and board. An additional condition is that no part of the Scholarship Grant shall be used as payment for teaching, research, or other services by the scholarship recipient required as a condition for receiving the scholarship.

B. Special Procedures

If for any reason, a Scholarship Grant is paid to a person other than the educational institution attended by the scholarship recipient or if the Scholarship Grant is used for expenses other than qualified tuition and related expenses within the meaning of IRC § 117(b)(2) or for room and board, the Community Foundation must receive a report on the progress of each recipient of such a Scholarship Grant at least once each year. This report must include a summary of the use of the funds awarded, and the grantee's courses taken (if any) and grades received (if any) in each academic period. This report must be verified by the educational institution. A final report is also required.

Where the reports submitted or other information (including the failure to submit reports) indicate that all or any part of a scholarship grant is not being used in furtherance of the purposes of such grant, the Community Foundation is under a duty to investigate. While conducting its investigation, the Community Foundation shall withhold further payments to the extent possible until any delinquent reports required under the foregoing provisions of these procedures have been submitted.

If the Community Foundation learns that all or any part of a grant is not being used in furtherance of the purposes of the grant, the Community Foundation shall take all reasonable and appropriate steps to recover the grant funds and/or ensure restoration of the diverted funds to the purposes of the grant. If such a diversion occurs and the grantee has not previously diverted grant funds to any use not in furtherance of the purposes of the grant, the Community Foundation shall withhold any further payments to the grantee until it has received the grantee's assurance that future diversions shall not occur and shall require the grantee to take extraordinary

precautions to prevent future diversions from occurring.

Where a grantee has previously diverted funds received from the Community Foundation and the Community Foundation determines that any part of a grant has again been used for improper purposes, the Community Foundation shall take all reasonable and appropriate steps to recover the grant funds and/or ensure restoration of the diverted funds to the purposes of the grant. In such case, the Community Foundation shall withhold further payments until: (1) the diverted funds are in fact recovered or restored; (2) the Community Foundation has received the grantee's assurances that future diversions will not occur; and (3) the Community Foundation requires the grantee to take extraordinary precautions to prevent future diversions from occurring.

The phrase "all reasonable and appropriate steps," as used above, shall include legal action where appropriate, but need not include legal action if such action would in all probability not result in the satisfaction of execution on a judgment.

VIII. Supervision of Individual Achievement Grants and Awards and Prizes to Achieve a Specific Objective

Individual Achievement Grants cannot require a particular use of the funds, and no report shall be required of the recipient.

Recipients of Awards and Prizes to Achieve a Specific Objective or, if appropriate, the organization supervising the grantee's work, will be required to provide a written report to the Community Foundation about their activities and use of funds at the end of the grant period. If the grant is for a term of longer than one year, periodic written reports will be required at least annually. Any funds not expended for the purpose of the award must be returned to the Community Foundation for use in furtherance of its mission and the charitable purposes of the particular Fund under which such award was made.

IX. Recordkeeping Requirements

The Community Foundation shall retain the following records in connection with all Scholarship Grants, Individual Achievement Grants and Awards and Prizes to Achieve a Specific Objective: all information obtained by the Foundation to evaluate the qualifications of potential grantees, the identification of grantees (including any relationship of any grantee to the Community Foundation or to a director or officer of the Community Foundation), the purpose and amount of each grant, and any additional information the Community Foundation obtains in complying with its grants administration procedures. Information pertaining to unsuccessful applicants for awards shall be kept along with information on successful applicants.

Attachment A provides an example of the Scholarship Distribution Form that is completed by the Selection Committee and provide to the Program Officer.

Records pertaining to any grant made pursuant to this policy shall be kept for no less than seven years after the filing of the Community Foundation's annual tax return for the period in which the last installment of such grant was paid.

ATTACHMENTS



Example

Central Kansas Community Foundation
Scholarship Selection Committee Form

Date: _____

Thank you for being the facilitator for the scholarship selection committee for the **Name of Fund.** Selection Committee members will not or should not be given access to scholarship application until the confidentiality policy and conflict of interest form are signed and returned to Central Kansas Community Foundation (CKCF). These forms are attached to this email. Please have all selection committee members complete and sign the forms and return to CKCF by **date.**

Please insert the awards ceremony date and time:

High School: _____

Person presenting the award: _____

Awards Ceremony Location: _____

Awards Ceremony Date: _____

Awards Ceremony Time: _____

Central Kansas Community Foundation (CKCF) policies, based on National Standards and IRS requirements, require CKCF to assure that:

1. Scholarship Recipients are not related to donors;
2. Donors or donor representatives are not a majority on the Selection Committee (particularly if family);
3. Representative of the Selection Committee abstain from voting on applications that pose any real or perceived conflict of interest.
4. Scholarship selection committees typically consist of three (3) or more selection committee members. It is ideal to have a total of five (5) scholarship selection committee members.

Selection Committee Members *(Each member must complete a Confidentiality Policy and Conflict of Interest Form (CP/COI))*

| <u>Name</u> | <u>Title</u> | <u>Donor/Donor Representative</u> | <u>CP/COI Form</u> |
|-------------|--------------|-----------------------------------|--------------------|
| 1. | | Yes or No | Yes or No |
| 2. | | Yes or No | Yes or No |
| 3. | | Yes or No | Yes or No |
| 4. | | Yes or No | Yes or No |
| 5. | | Yes or No | Yes or No |

Please return one copy of this completed form, the completed and the signed Confidentiality Policies and Conflict of Interest Form, from each selection committee member, to Central Kansas Community Foundation no later than **date**, unless other arrangement are made. Copies may be scanned and emailed to Kristie Diller, kristie@centralkansascf.org mailed to Central Kansas Community Foundation, 301 N Main, Suite 200, Newton, KS 67114.

If you have questions, or need further information, please contact Kristie Diller, CKCF Program Director-Scholarships, at kristie@centralkansascf.org or 316-283-5474.

Internal Use Only: Submit to CKCF Board of Directors for approval

Check Once Complete _____



Example

**CENTRAL KANSAS COMMUNITY FOUNDATION
SCHOLARSHIP DISBURSEMENT RECOMMENDATION FORM**

The Name of Scholarship Fund balance as of 12/31/16 was \$Balance of Fund. If the Scholarship was Endowed the 5% available for distribution would be \$Amount Available for Distribution. Since this Fund is Expendable the Selection Committee will decide annually the number of recipients and the award amount for each.

On behalf of the Selection Committee, I recommend distribution(s) from the Name of Scholarship Fund to the following Scholarship Recipient(s) in the amount(s) listed below:

| <u>Name</u> | <u>College/University</u> | <u>Amount</u> |
|-------------|---------------------------|---------------|
| 1. | | \$ |
| 2. | | \$ |
| 3. | | \$ |
| 4. | | \$ |

Representative Signature: _____

After CKCF Board approves the recommendation(s), CKCF will contact the Scholarship Recipient(s) for any required documentation (i.e., evidence of enrollment). CKCF will distribute scholarship award(s) to the educational institution(s) on behalf of the Scholarship Recipient(s) once all necessary paperwork is confirmed.

Return this completed form and requested information to CKCF no later than Day & Date, unless other arrangements are made. If applications were completed using CKCF's online system, a copy is archived for all applicants and no hardcopies are necessary. CKCF wishes to remind the Selection Committee to **destroy any personal copies or notes** related to this process that are not returned to CKCF to further ensure privacy and confidentiality.

Please return a signed copy of this form to the Central Kansas Community Foundation and retain one for your files. Files may be returned either by email to kristie@centralkansascf.org or mail.

Your assistance is very much appreciated!

Sincerely,

Kristie Diller
301 N Main, Suite 200
Newton, KS 67114

This document is part of the Central Kansas Community Foundation's Procedures for Grant Making, Including Scholarship Guidelines. Minor modifications may be adapted in using this form for the diversity of requirements for various selection committees. This however incorporates the basic requirements.

Photo/Interview Consent

I, _____, the undersigned, consent to being photographed and/or interviewed for purposes of education and/or public relations for Central Kansas Community Foundation or for the news media. Such education and public relations may include advertising, news releases, newsletters, brochures, and fundraising materials.

Signature *Electronic Signature is permissible*

Date

This document is part of the Central Kansas Community Foundation's Procedures for Grant Making, Including Scholarship Guidelines. Minor modifications may be adapted in using this form for the diversity of requirements for various selection committees. This however serves as consent for photographs sent for use from agencies or other public venues.



EXAMPLE

Photo/Interview Consent - Minor

I, _____, the undersigned parent

or guardian of _____, consent to my child being photographed and/or interviewed for purposes of education and/or public relations for Central Kansas Community Foundation or for the news media. Such education and public relations may include advertising, news releases, newsletters, brochures, and fundraising materials.

Signature *Electronic Signature is permissible*

Date

This document is part of the Central Kansas Community Foundation's Procedures for Grant Making, Including Scholarship Guidelines. Minor modifications may be adapted in using this form for the diversity of requirements for various selection committees. This however serves as consent for photographs sent for use from agencies or other public venues.



Dear Grant Recipient,

You were awarded a grant from the 2017 Central Kansas Community Foundation - Newton Health grant cycle. The follow-up is an opportunity to showcase your project/program. This is a chance to "Toot Your Horn" and show why your project/program is the greatest.

Please complete the following Follow-Up Form by: Tuesday, July 31, 2018.

As part of Central Kansas Community Foundation (CKCF) or one of our affiliates, due diligence as stewards of donor dollars and part of grant policies and procedures, grantees are asked to complete this Follow-Up Form regarding the impact the grant award made on the organizations funded project/program.

Organizations that do not complete this follow-up form by the due date may be ineligible to apply for CKCF and affiliate grants for the next two years.

If you have any questions please contact Brenda Sooter, CKCF Program Officer~Grants, at brendasooter@centralkansascf.org or (316) 283-5474.

Angie Tatro, Executive Director
Central Kansas Community Foundation
316.283.5474
angie@centralkansascf.org
www.centralkansascf.org

1. Name of Organization
2. EIN #
3. Phone #
4. Email Address:
5. Project/Program Title:
6. Amount of grant funds awarded:
7. Percent of funds used to date? (0%-100%)
8. If funding has not been used, when do you anticipate using the final balance? Please explain.
9. What was the percent of individuals in your community who were impacted by your project/program? (0%-100%)
10. Population served with this project/program. (Please select all that apply)
 - o At Risk Youth
 - o Men
 - o Veterans
 - o People with diseases and illnesses
 - o Families
 - o Youth age 0-18
 - o Age 30-50
 - o Other: _____
 - o Women
 - o Economically disadvantaged people
 - o People with disabilities
 - o Victims and oppressed people
 - o Widow and widowers
 - o Age 19-30
 - o Age 51 and above

11. Grant Category:
 - o Arts and Culture
 - o Community Preservation & Revitalization
 - o Emergency/Disaster Needs
 - o Health & Human Services
 - o Science & Education
 - o Animal Welfare
 - o Other: _____
12. Were the project/program objectives met?
13. Please share the specific examples of how the objectives were met and the impact on those you serve.
14. Explain the success of the project/program or comments from those you served. (Use the space as an opportunity to tell what you did and how great you did it)
15. To accept photos containing participants from the funded project/program we have to obtain a signed CKCF Photo Consent form from each person photographed.
16. Please attach CKCF Photo Consent forms signed by each person in the photo(s) or by the parent/guardian of the minor(s) photographed.
17. You may download the CKCF Photo Consent forms from our website, www.centrankansascf.org. Go to the "Apply Now" tab and click on "Grants". The Photo Consent forms are located at the bottom of the page.
18. Pictures are worth a thousand words! Share your newsletter articles, social media post, pictures of participants or volunteers or equipment purchased. Anything that will highlight your project/program. (Signed CKCF Photo Consent forms from each person in the photo(s) must be attached above)
19. This grant was made possible by generous donors, please thank the Foundation for your funding! Attach a letter of appreciation to the specific fund, that was on your award letter, in care of the community foundation board in which the funds were received. (ex: Halstead Community Foundation Impact Fund c/o Halstead Community Foundation Board)

This document is part of the Central Kansas Community Foundation's Procedures for Grant Making, Including Scholarship Guidelines. Minor modifications may be adapted in using this form for the diversity of requirements for various awards. This however serves as a general follow up summary report form that a recipient may return after receiving a CKCF grant and on occasion scholarship.