

Jefferson County Community Foundation
Grantmaking Due Diligence Policy and Procedure
Approved 1.18.10

To qualify for a grant distribution from the Jefferson County Community Foundation, a prospective grantee must be able to satisfy the Community Foundation's due diligence requirements before a grant or scholarship is distributed.

Due Diligence Requirements

Prior to making a grant, the Community Foundation conducts an independent investigation of the prospective grantee and has been able to establish that the prospective grantee:

- qualifies to receive the grant,
- manages its fiscal resources in a prudent manner,
- has the capacity to fulfill the grant or scholarship terms, reporting requirements, and complies with the donor intent,
- and identifies any conflict of interest with Community Foundation staff, fund holders, board of directors, and committee members.

Evidence of Qualification

For a nonprofit, charitable organization the Community Foundation must collect a copy of the organization's current letter of determination pursuant to Section 501(c)3 of the Internal Revenue Code (advance rulings and Guidestar reports are acceptable). Review shall include confirmation of filings and status using one of the following reports:

- Guidestar at <http://guidestar.com/>
- IRS Publication 78 at <http://apps.irs.gov/app/pub78>
- West Virginia nonprofit registration with the Secretary of State at <http://www.wvsos.com/CharitySearch/main.asp>

For educational, municipalities, for-profit, non-charities (example, 501(c)4 or 501(c)6 organizations) or other public entities the Community Foundation will collect evidence that the organization is capable of fulfilling the charitable terms of the grant or scholarship. Review shall include a web based search, and at the discretion of the Community Foundation staff other information may be required before a prospective grant is considered, including:

- A description of the organization's mission, vision, values, and program
- A copy of the operational budget
- A copy of the most recent Annual Report or other publication
- A listing of all current Board of Directors serving the organization
- A copy of the organization's Form 990
- A copy of the organization's most recent audited financial statement
- A Community Foundation application form
- A site visit with executive staff of the organization

The Community Foundation currently does not pay grants to individuals; scholarships are paid directly to the educational institution.

Evidence of Commitment to Grant Terms and Reporting Requirements

Once charitable status has been confirmed, Community Foundation staff sends a grant transmittal letter which includes the grant terms and reporting requirements with the grant check. Organization's who receive a grant from the Community Foundation are required to sign and return the transmittal letter to confirm acceptance of the grant terms and reporting requirements.