



**COMMUNITY  
FOUNDATION  
OF GREATER MEMPHIS**

## **GRANT DUE DILIGENCE POLICY**

### **Donor Advised Funds**

#### Grants to Public Charities and Governmental Units

The Foundation may make grants from donor advised funds to organizations that are public charities or governmental units. Grants may be made to the following:

- An organization that has received grants from the Foundation in the past and there is no reason to believe that the organization's tax status has changed;
- An organization that has not received grants from the Foundation in the past and either:
  - is shown in Guidestar to be 501(c)(3) public charity;
  - is a church;
  - is a valid governmental unit as determined by the Foundation's General Counsel;
  - is not otherwise prohibited pursuant to this policy (see Prohibited Grants, below).

#### Grants to Other Organizations

The Foundation will not normally make grants from donor advised funds to organizations that are not public charities or governmental units. However, the Foundation may make such a grant provided that:

- The grant is approved by the President (after consultation with the Foundation's General Counsel); and
- Staff exercises Expenditure Responsibility with respect to the grant:
  - Staff documents that the grant is for a valid, charitable purpose;
  - The grant is made subject to a grant agreement in the approved form and countersigned by the grantee;
  - The grantee accounts for all grant funds and promptly submits a written report summarizing the project and the specific use of funds as required by the grant agreement.

#### Prohibited Grants

The Foundation will not make grants from donor advised funds for any of the following:

- Grants to individuals, including grants payable to a school, college, or university for the benefit of an individual;
- Grants or other payments, including expense reimbursements, to donors, advisors, and related parties;

- Grants for which the donor, advisor, or any related party receives any goods or services in return;
- Grants to any organization then listed on the Southern Poverty Law Center's Hate Group map, as that list may be titled or revised from time to time, or any other list at the discretion of the Board of Governors;
- Any grant for a purpose that is not charitable;
- Any grant to a private non-operating foundation.

### **Agency and Designated Funds**

Grants from agency and designated funds may be paid out to the relevant organization(s) as provided in the fund agreement.

Upon the opening of all agency and designated funds, staff will ensure that each organization that will receive grants from such fund is an appropriate public charity or governmental unit (as defined above under "Donor Advised Funds -- Grants to Public Charities and Governmental Units").

### **Scholarship Funds**

Grants from scholarship funds will be made only in accordance with the scholarship fund criteria established with respect to such fund in accordance with all applicable federal, state and local laws, regulations, rules, and restrictions. Such criteria must have been formally adopted and approved by the Board of Governors prior to any grants being made. Grants should be made only to organizations which are appropriate public charities or governmental units (as defined above under "Donor Advised Funds -- Grants to Public Charities and Governmental Units").

### **Unrestricted and Field of Interest Funds**

Grants from Unrestricted and Field of Interest Funds (including the Community Partnership Fund) will be made according to the specific grant criteria and procedures established for such fund.

Grants will typically be made only to organizations which are appropriate public charities or governmental units (as defined above under "Donor Advised Funds -- Grants to Public Charities and Governmental Units").

However, grants may be made to organizations which are not public charities or governmental entities provided that:

- The grant is approved by the President (after consultation with the Foundation's General Counsel); and
- Staff exercises Expenditure Responsibility with respect to the grant:
  - Staff documents that the grant is for a valid, charitable purpose;
  - The grant is made subject to a grant agreement, counter signed by the grantee, in the approved form;

- The grantee accounts for all grant funds and promptly submits a written report summarizing the project and the specific use of funds as required by the grant agreement.

**APPROVED BY THE BOARD OF GOVERNORS:**



Duncan Miller  
Board Chair

3/28/19  
Date



Robert M. Fockler  
President/CEO

3-28-2019  
Date