



## **BUCKLIN COMMUNITY BETTER LIFE FOUNDATION DUE DILIGENCE GUIDELINES-REGARDING GRANTMAKING**

The Bucklin Community Better Life Foundation is committed to the principles of good grantmaking and due diligence that includes, but is not limited to, the following:

- Grants only are made for charitable purposes.
  - The IRS determination letter is requested
  - Local government entities such as public libraries, public schools and public work projects
  - Churches
- Grants are only made to organizations that are financially stable and well managed and grants only are made for projects that are well-conceived and that the Board believes likely to be successful.
  - Current financial statements are requested
- No personal benefits shall accrue from any grant to any BCBLF member or member's family. Further, no personal benefit from any grant shall accrue to any BCBLF member who is involved in the grant review process or recommendation of a grant.
- Grants are used by each grantee for the appropriate purposes as approved by the BCBLF's Board of Directors.
  - A report on the status of the grant is required.
- In some instances, the Foundation will exercise expenditure responsibility over certain grants as required by the Pension Protection Act of 2006

### **PROCEDURES**

#### **1. Grants only for charitable purposes.**

The Board of Directors are responsible for ensuring that all grantees have public charity 501(c)(3) status or local government entities and that the proposed project falls within the scope of the organization's charitable mission.

In addition, all grantees are required to indicate that they are a public charity and that all funds be used for Charitable purposes. In the case of competitive grants, an official representative of the grantee must sign a "Grant Agreement Form". 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.

Federal legislation prohibits a donor-advised fund from making grants, loans, compensation or similar payments (including expense reimbursements) to donors or members. Nor shall any disqualified person receive more than "incidental benefit" from a fund or from any grant recipient receiving a distribution

from the fund. Thus, grants from donor-advised funds may not be used to pay for anything that might be perceived as a material benefit to the donor or member — including dinner tickets, membership fees, golf fees, admission tickets or other gifts. If sponsorship of a fundraising event includes a material benefit, a grant from a donor-advised fund cannot be used for this purpose. Further, the IRS has taken the position that the charitable and noncharitable portion of a ticket are inseparable and the donor-advisor cannot correct the private benefit problem by offering to pick up the "non-charitable" portion of the ticket. Foundation grants must be entirely for charitable purposes.

2. Grants only are made to organizations that are financially stable and well managed and grants only are made for projects that are well-conceived and that the Board believes likely to be successful.

BCBLF members are responsible for the thorough review of each competitive application received by the Foundation. If a BCBLF member wishes to recommend a grant to an applicant, the member is responsible for doing a complete and thorough review of the agency and its proposed project. In the case of Donor Advised Fund grants, the member researches, and if necessary contacts each grantee to determine their 501 (c)(3) status.

- a. No benefits shall accrue from any grant to any BCBLF member or member's family. Further, no benefit from any grant shall accrue to any BCBLF member who is involved in the grant review process or recommendation of a grant.

On an annual basis, all BCBLF members shall complete conflict of interest statements indicating that they will disclose any potential conflicts. If a member has a conflict with a particular grant application, then the member 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. Each donor advisor receives a copy of the Donor Advised Fund Guidelines 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.

3. Grants are used by each grantee for the appropriate purposes as approved by the BCBLF Board of Directors.

All competitive grants require a written final report including a description of how the grant was spent. If the funds were not used for the intended purpose, all used funds for the grant shall be returned to the Bucklin Community Better Life Foundation.

Approved by the Board of Directors of the Bucklin  
Community Better Life Foundation on this date:  
August 22, 2024.