



# Grantmaking and Due Diligence Policy

## All Funds

### Policy Statement

The following policy serves to guide the Board of Directors and staff of The Alaska Community Foundation (the Foundation) in its program and grantmaking activities. It creates a program and grant approval process that is not an administrative burden on staff and Board members, allows for thorough due diligence, and assures a timely response to grant fund recommendations and program opportunities.

### Purpose & Scope

A goal of the Foundation's community philanthropy efforts is to collaborate with our key stakeholders to identify community needs that can be addressed through strategic programs and grantmaking statewide. By focusing on collaboration, we hope to leverage our resources and avoid duplication and dilution of efforts throughout the state. The approach would assure inclusion of key stakeholders, assure high impact, and result in clear outcomes while providing fund advisors an opportunity to connect with the Foundation in a meaningful way, which will help define our organization in a positive way and attract more funds and engagement. The Foundation respects and values our diverse communities as essential components in creating a sustainable quality of life for all Alaskans. We uphold values of diversity, equity, and inclusion, as described in the Foundation's Inclusion Policy, below and encourage applicant organizations to do the same.

This policy seeks to engage the Board in the development of strategic programs and grantmaking opportunities. In addition, this policy empowers staff to conduct routine business and ensures engagement of the Board on those decisions that are larger than routine.

### Inclusion Policy

The Indigenous peoples of Alaska have flourished in their diversity of cultures and experiences. Today, Alaska continues to draw spirit, vitality, and character from the increasingly diverse mix of people who live and work in our communities. The Alaska Community Foundation ("Foundation") recognizes that the future strength of our organization and communities rests firmly on our commitment to value, respect, and embrace the richness of a diverse citizenry.

The Foundation wants to do its part to ensure that no person is excluded from services, employment, or volunteer participation because of ethnicity, race, culture, age, gender identity/expression, sexual orientation, national origin, economic background/circumstances, physical and/or mental abilities, marital status, citizenship status, philosophy/religion, pregnancy

or parenthood, or other factors that describe the essential humanity of all people. We seek to live out these principles by ensuring that the staff we hire, the projects we implement, the funds we hold, and the grantmaking work we do reflect the diversity of our state.

Organizations that serve a specifically defined population or charitable class of people are not considered non-inclusive or discriminatory. The Inclusion Statement applies to how an organization serves its specific target population, as well as how it handles hiring and volunteer participation.

When accepting a grant award from or entering into a cooperative agreement with the Foundation, the funded agency is encouraged to utilize inclusion policies and/or practices that follow these guidelines:

- No person is excluded from agency services, nor denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available by the community foundation, based on their membership in one or more of the protected classes as described above;
- Wherever practical, all people will be considered in employment or volunteer participation, regardless of their membership in one or more of the protected classes as described above;
- The organization is continuing to intentionally increase inclusive practices.

## Considerations for Grantmaking

Refer to the Scholarship Awarding Policy for specific guidelines on scholarship awarding.

1. Due Diligence Process for Non-Competitive Grants Staff reviews all grant recommendations (Designated, Agency, Donor Advised, Board and President/CEO Discretionary) submitted or proposals as required (Unrestricted, Field of Interest). This review includes:
  - Verification that the grantee organization is listed in Section §170(b)(1)(A) of the Internal Revenue Code [501(c)(3), (509(a)(1), 509(a)(2), or 509(a)(3) (that does not require expenditure responsibility, and is not a Private Foundation) in good standing, through GuideStar, IRS Charity Search function or the IRS Business Master File (BMF)]; or is an equivalent organization (schools, churches, government agencies and programs, or a Federally recognized tribal organization);
  - Confirmation the grant award does not benefit the fund advisor(s) or grant recommendation committee (excluding agency funds)
  - Confirmation the grant award does not fulfill a pledge (as defined by the IRS)
  - Confirmation the fund has appropriate balance to make the grant
  - Confirmation grant recommendation is in line with the purpose of the fund
  - Confirmation of appropriate authorized fund advisor
  - Confirmation the grant is for a charitable purpose
2. Once staff has reviewed the grant recommendation for completeness using the above steps, applications are awarded per the relevant grantmaking section of this policy.

## **Additional Due Diligence for Donor Advised Funds Grant Recommendations**

Certain types of grants are prohibited under Pension Protection Act of 2006 for Donor Advised funds. They include:

- Grants to individuals, including grants made directly to an organization for the benefit of a specific individual (ex: grant to a school)
- Grants to donors, advisors, or related parties
- Grants for non-charitable purposes.

For Donor Advised grants awarded through a competitive process, verification of the organization's nonprofit status is saved with the application in the Foundation's online grants system.

### **Ineligible Organizations or Activities (All Funds)**

Individuals, for profit, 501(c)(4) or (c)(6) organizations, and state or federal government agencies are not eligible for grants. Grants for endowment building, deficit financing, fundraising, lobbying, electioneering and activities of political nature will not be considered, nor will grants for ads, sponsorships, special events, religious indoctrination, or activities that have the potential to support terrorism. Activities that improperly discriminate as to ethnicity, race, culture, age, gender identity/expression, sexual orientation, national origin, economic background/circumstances, physical and/or mental abilities, marital status, citizenship status, philosophy/religion, pregnancy or parenthood, or other factors that describe the essential humanity of all people are ineligible for grants.

## **Fund Types**

### **Unrestricted Funds**

Unrestricted funds are established with contributions to the Foundation which are not made for a specific purpose and are placed in an unrestricted fund. Unrestricted funds may be utilized as part of a competitive grant process or a non-competitive grant process such as to support a Foundation initiative, to leverage other sources of support, and/or for general support of the Foundation's operations if necessary.

### **Field of Interest Funds**

Field of Interest funds are established from contributions which are made for a specific purpose and are placed in a Field of Interest fund with the Board, Program and Grants Committee, or a delegated advisory committee acting as the fund advisor. Field of Interest funds may be utilized as part of a competitive grant process or a non-competitive process such as to support a Foundation initiative, to leverage other sources of support, and/or other strategic activities, within the fund's specified focus area.

### **Affiliate Funds**

Affiliate funds are established from contributions which are made for the specific purpose of benefitting a designated community and are placed in a Geographic Field of Interest fund with the

delegated Affiliate Advisory Board acting as the fund recommendation committee. Affiliate funds may be utilized as part of a competitive grant process, to support a community initiative, to leverage other sources of support, and/or other strategic activities, within the fund's specified geographic area.

### **Donor Advised Funds**

Donor Advised funds are established from contributions which are made for a specific purpose and are placed in a specific Donor Advised fund with designated individuals or advisory committees acting as the fund advisor. These funds may be utilized to award grants as recommended by the fund advisor, as part of a competitive grant process, and/or other strategic activities, within the fund's specified focus area.

### **Agency and Designated Funds**

Agency and Designated funds are established from contributions which are made for the specific purpose of supporting a nonprofit organization and are placed in an agency or designated fund with designated individuals acting as the fund advisor. These funds may be utilized within the fund's specified focus area.

### **Scholarship Funds**

Due to the complex nature of Scholarship fund policies and procedures in light of the 2006 Pension Protection Act, the Foundation developed a stand-alone policy regarding this type of fund. Please see the current policy for awarding scholarships.

### **Special Project Funds**

Special Project Funds are for charitable projects that further the mission of the Foundation. The primary benefit of a Special Project Fund is that it allows for collaboration between multiple organizations and funders that provide a statewide programmatic or philanthropic benefit to Alaskan communities through a specific, finite project that is clearly charitable in nature and in furtherance of the mission of the Foundation.