

Community Foundation of St. Clair County Grant Making Policies and Procedures

The purpose of these Grant Making Policies and Procedures is to establish a clear understanding of the processes, procedures, roles and responsibilities for all of the Foundation's grant making committees and advisory groups.

In implementing this policy the Foundation understands and accepts the need to engage a broad range of donors, volunteers and staff in its grant making programs. At the same time, the Foundation must exercise care and due diligence in the distribution of grant funds.

Grants of \$50,000+

The Foundation's Grants Committee is granted authority on an annual basis to approve grants up to \$50,000. Other grant making committees and the Foundation's president are annually given grantmaking authority at various levels per the policy on Delegation of Grantmaking Authority.

From time-to-time organizations have approached the Foundation during the year, seeking grants exceeding \$50,000. Since the Foundation's year is the calendar year, these requests often come to the board well after annual budget and grant allocation decisions have been made. This complicates the decision-making process.

Grant requests exceeding \$50,000 should only be initially considered during the 4th quarter of a given year. The initial proposal or request will go directly to the Grants Committee so they may begin evaluation and due diligence.

This will allow the initial grant request to be considered during the same timeframe in which the Foundation is evaluating its operating and grantmaking budgets for the following year. It also allows for consistency in the Foundation's grantmaking programs. Grant requests that come in during other times of the year will generally be held until the fourth quarter of that year.

When the Grants Committee has completed their initial evaluation and due diligence, they will submit a recommendation for action to the full Foundation board. This recommendation will either be;

- Approve some level of funding
- Deny
- Neutral Opinion

The recommendation from the Grants Committee is advisory only, and the Foundation board may accept or reject the recommendation.

Approved grants of \$50,000 or more will require a signed grant agreement stipulating the terms and conditions required to be met before a grant check is cut. Absent special board approval, grants of \$50,000 or more will not be paid out until the project has been fully completed.

Bricks & Mortar Grants

Grants for bricks and mortar (construction) projects will be paid upon successful completion of the project, unless otherwise approved by the Foundation board.

Grants for bricks and mortar projects may be approved as 1st dollars committed, but should be paid out as last dollars in.

For those rare occasions when the Board approves paying the grant prior to project completion, staff shall at a minimum follow these due diligence guidelines:

- Applicant must submit a statement showing market pricing for every phase of construction. We should not rely on just one estimate, such as from an architect, for bricks and mortar projects.
- “In Kind” donations should not be relied upon for presentation of costs. Focus on worst case scenario with all goods and services paid for.
- Title insurance policy should be in place.
- Written verification of any bank financing

Additionally, for proposed new construction projects, the Foundation at a minimum should explore the following questions and concerns;

- Does the organization appear able to sustain the extra costs associated with the project?
- Have they projected out annual cost increases due to the project?
- What other options are there for re-purposing an existing facility somewhere rather than building new?
- Might there be other possible opportunities for collaboration with another organization or even sharing space with another organization?
- Has the organization been in business long enough to have a stable track record of managing budgets and projects?
- Is the organization able to create a set-aside account for future repairs and maintenance needs?