

Community Foundation of Southern Maryland

Grantmaking Due Diligence Policies and Procedures

The Board of Directors and staff of the Community Foundation of Southern Maryland (CFSOMD) are committed to the highest level of professional and ethical standards in all areas of operation, including donor services, community leadership, investment of funds, accounting, administration, and grantmaking. By virtue of its mission, the Community Foundation is entrusted with contributions from donors and with the responsibility to distribute the donations according to donor intent and community need.

The Community Foundation of Southern Maryland works and communicates openly and honestly with all constituents, including donors, grant recipients, and the public to ensure that grants are used for charitable and effective purposes. Toward that end, the Foundation exercises the following due diligence policies and procedures.

Section I - General Policies

Recipients

Grants are made only to 501(c)3 non-profit organizations, governmental units, and educational institutions. Documentation of the organization's tax-exempt status must be on file with the Foundation. There are occasions when CFSOMD may award grants to religious organizations (non-profit), however, such grants may only be used for charitable purposes by the religious organization or its affiliate.

Individuals: Grants are never made directly to an individual beneficiary, but may be made to an educational institution or a service provider (non-profit) for the benefit of an individual if:

1. The individual is a member of a broad charitable class;
2. The individual is selected based upon pre-established, objective criteria; and
3. A clear charitable purpose is documented.

Grantmaking Principles

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

- * Grants are only made for charitable purposes;
- * The financial health and management of organizations will be considered prior to awarding a grant, and grants are only made for projects that are well-conceived and likely to be successful;
- * No benefits shall accrue from any grant to any staff member, or staff member's family. Further, no benefit from any grant shall accrue to any advisor, volunteer or donor who is involved in the grant review or recommendation of a grant.
- * Grants are used by each grantee for the appropriate purposes as approved by the Foundation's Board of Directors.
- * Grants are made to organizations who are committed to the principles of Equal Employment Opportunity (EEO) and prohibit discrimination based on race, color, religion, sex, or national origin.
- * Grants are made to organizations who promote drug-free workplace policies.

Principle-related Procedures

1. Grants are only for charitable purposes.

Program staff are responsible for ensuring that all grantees are eligible organizations and that the proposed project falls within the scope of the organization's mission and is charitable in nature. Award letters typically indicate that the funds must be used for charitable purposes.

2. Grants are made only to organizations that are in good financial health and well managed, and grants are made only for projects that are well-conceived and likely to be successful.

Program staff is responsible for the thorough review of each competitive application received by the Foundation. The result of this review is included in the written grant review prepared by the program staff. The Grant Committee will review all grant applications and make recommendations to the Board of Directors of the CFSOMD. The final decision is made by the Board of Directors.

This review includes, but is not limited to:

- * Reviewing the agency's operating budget and financial audit;
- * Checking the proposed project budget;
- * Checking the applicant's legal name and exempt status letter.

3. No benefits shall accrue from any grant to any staff member, or staff member's family. Further, no benefit from any grant shall accrue to any advisor, volunteer or donor who is involved in the grant review or recommendation of a grant.

On an annual basis, all staff, Grant Committee and Board members complete conflict of interest statements indicating the organizations with which they have potential conflicts. If any staff, Board member or Grant Committee members have a conflict with a particular grant application, that person is then required to recuse themselves from the grant recommendation process.

4. Grants are used by each grantee for the appropriate purposes as approved by the Foundation's Board of Directors.

All grants require a written final report including information on how the grant funding was spent. It is the staff's responsibility to review the grant report and to ensure that the grant money was used for its intended purpose and as approved by the Foundation's Board of Directors. If the funds were not used for the intended purpose, the Foundation may ask for the funds to be returned.

5. Grants are made to organizations who are committed to the principles of Equal Employment Opportunity (EEO) and prohibit discrimination based on race, color, religion, sex, or national origin.
6. Grants are made to organizations who promote drug-free workplace policies.

Section II - Grant Solicitation, Review and Award Procedures

Grant Solicitation

1. A press release will be distributed in the region.
2. The Foundation's website lists grant proposal deadline dates, downloadable grant guidelines and a grant application. Please go to www.cfsomd.org.

Review and Selection Procedure

Upon receipt of grant proposals, CFSOMD staff conduct an initial review to determine that the required elements of the proposal are included and that there is consistency within the proposal. When there is information missing or initial concerns, staff directly contact the organization to resolve the matter. Staff read through each proposal more thoroughly and make initial recommendations for funding based on the merits of the proposal, grant history of the organization and available resources.

A Grant Committee appointed by the CFSOMD Board of Directors reviews proposals and recommends grant awards. Site visits and/or phone calls may be conducted by committee members or Foundation staff to all eligible applicant organizations, to gain more information about the organization and proposal. The Grants Committee will review applications in a timely manner in effort to meet the critical needs of this community. The full Board of Directors gives final approval for grant awards.

Notification Procedure

Following the Board of Directors' approval of grant awards, grant award recipients will be notified by telephone and sent a letter. Organizations whose proposals did not receive funding will be notified by letter.

Grant Award Characteristics and Reporting Requirements

Grant recipient organizations must adhere to the project dates and proposal, as approved by the CFSOMD. Procedures for substantial changes to the scope of the grant activities and/or the grant budget are contained in the grant agreement, and must be approved by CFSOMD. Grantees are responsible for contacting the Grantor to determine if a change is substantial.

Section III - Emergency Grants

The Board of Directors of the Community Foundation of Southern Maryland authorizes grant dollars from the Unrestricted Fund to be used as Emergency Grants to Southern Maryland organizations meeting the eligibility criteria. Such grants are small in nature (typically under \$2,500) and are used to meet short-term, emergency or relatively minor project needs related to the grantmaking interest areas of the Foundation. The CFSOMD website and the Grant Program Guidelines describe the purpose and availability of Emergency Grants and instruct potential grantees to contact the office to discuss applying for these grants. Applicants are asked to write a brief letter describing their need, the rationale for it and the amount requested. The CFSOMD Executive Director contacts the Foundation Board President to discuss the request and the two of them may authorize a grant payable immediately. The entire process may occur in as little as 48 hours.