

COMMUNITY GRANTS Policy
Policy #: 04-02 v 5.24.23
Appendix: 1. Guidelines for Community Grants from DAF & Form 2. Grant Review Waiver Guidelines & Form 3. Grant Review Form
Review Date: Annually
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**THE HOMER FOUNDATION
COMMUNITY GRANTS POLICY & PROCEDURE #04-02 v. 5.24.23**

Introduction: A principal goal of the Homer Foundation is to provide charitable benefit to the residents and communities within the Foundation’s service area through its various community grants, and to assure that the process is fair and equitable. **This is accomplished in line with the Mission and core values of the Foundation.**

General Policy

- 1) The Foundation follows all applicable tax laws and National Standards for Community Foundations when administering its community grants including ensuring transparency and due diligence in its review of recommendations and applications and providing appropriate oversight for approved community grants.
- 2) Funding is limited to the types of organizations listed below serving the Foundation’s service area of the southern Kenai Peninsula, from Ninilchik south including the communities surrounding Kachemak Bay. The following types of organizations may receive funding:
 - **Non-Profit Organizations based** within our service area or **non-profit organizations providing services or a project within our service area**, recognized by the IRS under section 501(c)(3), and other qualified not-for-profit entities.
 - **Faith-based social service, youth, or community programs** are eligible if the following conditions are met: 501(c)(3) organization; program/project has a board-approved mission statement and program/project budget separate from the organization's sacramental or theological budget; secular programs or services are available to eligible participants without regard to religious belief or willingness to participate in religious activities, and the organization ensures that Foundation contributions are not used to support religious activities such as worship or proselytizing.
 - **Societies and Groups** not recognized by the IRS under section 501(c)(3), but are functioning to enhance the quality of life within our service area are eligible for consideration for projects that benefit the communities we serve. **These organizations will need to provide satisfactory expenditure responsibility for the individual projects.**
 - **Individuals** are funded primarily through the various scholarship programs the Foundation administers. Other requests from individuals will be considered on the merit of the project

and how it will benefit the community; there must be no personal benefit to the individual proposing the project. Contact the Foundation to discuss your project before applying.

- 3) The Foundation shall not grant funds for politically directed programs or projects.
- 4) The Foundation Board of Trustees (BoT) has delegated authority to the Community Grants Committee (CGC) to approve grants through the non-competitive year-round grants program up to a designated cap **per grant**. A letter of inquiry is required for requests above the cap.
- 5) The CGC Chair assures appropriate committees are constituted for each of the different types of community grants. Individuals serving on any review committee abide by the Foundation's conflict of interest and disclosure policies. (See HF Conflict of Interest Policy #05-03 and HF Scholarship Committee Conflict of Interest Statement.)
- 6) The BoT receives community grants reports at least quarterly, including detail on any community grants approved through the waiver process. Acceptance of this report is recorded in the meeting minutes. Fund holders receive reports at least quarterly with detail on any community grants from their funds. All community grants are reported annually in the Foundation's Annual Report.
- 7) For all community grants, the Foundation assures donor intent is followed and that it meets Foundation policies and applicable tax regulations.
- 8) The Foundation proactively matches grant requests to fund advisors' interests and seeks out needs in the community that align with specific funds when earnings are available.
- 9) For grant eligibility, each type of grant (Quick Response, City Grant, Donor Advised Fund recommendations, Community Impact Grants, or other special grants, unless so designated by the Board of Trustees) is considered separately.
- 10) The BoT will appoint committee members for all grant committees. BoT members may remain CGC members for as long as they are appointed to the committee. For non-BoT members of standing committees, there will be 2-year terms for each member, with a term limit of 3 full consecutive terms. The BoT will approve members of these standing committees through running appointments as needed. These appointments come from the recommendation of the Executive Director and CGC chair based on interviews with potential candidates. Committee members may be removed by a majority vote of the BoT.

11) Policy and Procedure Review:

The BoT shall annually review and approve committee make-up, grant application and guidelines, due diligence for grants, and these policies and procedures to assure they meet current legal requirements and industry best practices.

General Application Procedures:

- 1) Grant applications are submitted through the software Smarter Select, with links found on the Foundation's website: www.homerfoundation.org. Information regarding the availability of grant applications and guidelines is widely disseminated including through news releases, Foundation Annual Report, and the website.
- 2) Each grant program has an application form specific to that program. Requests must be made on a current grant application form. Under certain circumstances, the application and/or review process can be waived when the distribution meets established criteria (See Grant Review Waiver Guidelines and Form).

- 3) The Annual City Grants programs applications have a submission deadline. The non-competitive year-round grants program (Quick Response Grants) is a monthly submission deadline.
- 4) In all instances, the Foundation will assure that donor's intent is followed as long as it meets Foundation policy and applicable tax regulations.
- 5) If the grant application is for multiple organizations (collaboration) or for a project that will happen on other organizations' property (program, event, or structure), at least one letter of support from the partner organization(s) is required.

Procedures Applicable to Individual Community Grant Types:

- 1) Quick Response Grants, a non-competitive year-round grants program. **This key grant is the primary way for the Homer Foundation to distribute funds to the community, thereby enhancing the quality of life for the citizens of the greater Homer area through charitable activities.** (See Homer Foundation Quick Response Grant Guidelines and Application Form)
 - a. The CGC administers this grant program. The standing committee is composed of a Chair and a minimum of three participants, for a total of four members, to constitute a quorum. Committee members are drawn from an expandable pool of qualified community members and board and ex-board members. The CGC pool will be composed of 3-4 assigned board members (including the chair) and 7-9 community members. Qualified community members must have participated in a grant review orientation session or served on other grant committees. All BoT members are considered alternate members who may be called upon to make a quorum if needed. Committee members should strive to make meetings, but this is not always possible which is why the Foundation maintains a pool. The CGC Chair should reach out to CGC members who miss an excessive amount of meetings to determine their ongoing interest in serving on the committee.

This process provides the committee with the most flexibility to meet the established review/response timeframe. All members are to adhere to the Foundation's Confidentiality and Conflict of Interest Policies, and the Chair shall notate all disclosures.
 - b. The CGC should establish and publish a monthly meeting date. The CGC meets monthly unless no grants are received that month. Additional meetings may be scheduled as required. Applications should be received one week ahead of the regularly scheduled meeting. Additionally, applications must be received a minimum of 30 days before the start date of the project, or the need for the funding.
 - c. The target is to review and respond to grant applications in the month they are received, provided they are submitted before the applicable deadline for these grants-
 - d. The CGC or staff may, when warranted, request additional information in addition to the information submitted with the application.
 - e. The review process is based on the merits of the request, the benefit to the community, and the availability of funds. Staff shall monitor available grant funds and advise the BoT if additional appropriations are needed.
 - f. The BoT sets the maximum distribution amount per request for the year-round Quick Response grants program and authorizes the Committee to approve community grants up to that amount.

- g. **Other general criteria are: The grant may not exceed twenty-five percent of the organization's annual operational budget. Research projects and feasibility studies are not eligible for this grant and must be brought directly to the board via the Community Impact Grant process.**

- 2) **Community Impact Grant: Is defined as any grant above the cap set for the Community Quick Response Grants in the current fiscal year or grants that are not otherwise eligible for a Quick Response Grant. This grant cycle is perpetually open. To start this grant the applicant submits a Letter of Inquiry requesting further consideration. Instructions are found in Appendix 4 of this policy and are on the Homer Foundation webpage. The BOT will review the submitted LOI and determine if they wish to entertain a full proposal. If accepted, the full proposal must be submitted within three board meetings. Unless otherwise directed, funding for Community Impact Grants shall be taken from the Opportunity Fund. While there is no set cap on this grant, applicants should be referred to recent grant-making history.**

Criteria: Grant requests should show qualities of the below criteria. It is not necessary to embody all these areas, but stronger applications will exhibit more criteria:

- **Demonstrate substantial and measurable impact on the quality of life of the service area.**
- **Demonstrate substantial collaboration**
- **Leverage significant other funding**
- **Be a lasting benefit**
- **Demonstrate sustainability**

Application guidelines will indicate that this process may take an additional 1-2 months beyond final submission for full board review.

- 3) **Donor Advised Fund recommendations: (See Guidelines for Community Grants from Donor Advised Funds and the Grant Review Waiver Guidelines and Form.)**
- a. **The Donor Advisor must use the "Donor Advised Grant Recommendation Form" to make a recommendation.**
 - b. **The Community Grants Committee Chair and ED determine whether the recommendation meets the criteria in the Grant Review Waiver Guidelines, if not, the recipient is invited to submit a request and go through the grants review process if the amount is below the authorized cap.**
 - c. **Donor-recommended grants and field of interest funds with a singular purpose are only limited by the distributable amount available in the fund.**
- 4) **City of Homer Grants Program: See City of Homer Grant Program Guidelines and Application Form.**
- a. **The Homer Foundation, through a written MOU with the City of Homer, administers the City of Homer Grants Program.**
 - b. **The City of Homer provides an annual allocation through its budget process. The total amount distributed includes the Available To Spend (ATS) from the City of Homer and Kachemak City (when directed) endowment funds.**
 - c. **The Community Grants Committee Chair, with support from staff, recommends the distribution amount and/or amount to go into the corpus of the City of Homer Fund, sets the timeline, constitutes the committee, and administers the review process.**

- d. The Community Grants Committee Chair and a minimum of five participants, for a total of 6 members, constitute a quorum. The Committee consists of a mix of HF board members and the City of Homer residents. Any BoT member may serve as an ad-hoc member to meet quorum.
- e. The Committee makes funding recommendations to the HF Board for approval.

Timeline:

Annual Allocation approved by the City of Homer: December

Grant Program and Deadlines Announced: January-February

Applications Reviewed and Awards Announced: February-March

- 5) Agency Endowment Fund Community grants: (See Funds Policy #01-01.)
Agency Endowment amount available to spend (ATS) distributions are paid out or rolled into the corpus of their fund annually after the close of the fiscal year. The Agency must provide this directive in writing. The directive remains in effect until a new written directive is received.
- 6) YAC Grants Program:
 - a. Administered by the HF's Youth Advisory Committee (YAC) with oversight by Advisor and Staff.
 - b. Allocation criteria, amount, and timeline are determined by the YAC on an annual basis.
 - c. YAC makes funding recommendations to the HF Board for approval. YAC grants are meant to be youth-focused. Beyond that, the YAC may set its grant priorities and criteria annually. YAC's Priorities and criteria may not conflict with the Foundation's by-laws, policies, and/or practices.
 - d. YAC grants maximum amounts are the same as those as set for the CGC. Requests above that amount will be referred to the Board of Trustees.
- 7) Scholarships: (See Scholarship Policy and Guidelines #06-02.)
The Scholarship Review Committee follows the policy and procedures outlined in the Scholarship Policy 06-02. All members serving on Scholarship Review Committees must be pre-approved by the Foundation Board of Trustees.
- 8) Emergency and Bridge Loans: to provide an immediate response to local 501(c)(3) non-profit organizations in the event of an emergency.
 - a. It is a 60-day no-interest loan. The expectation is that the loan will be paid in full after 60 days. The Board of Trustees (at its sole discretion) holds the ability to extend the 60-day term if the circumstances warrant an extension. A request for an extension from the organization needs to be received in writing before the initial 60-day loan term ends.
 - b. The loan amount would be up to \$10,000.
 - c. Emphasis is on immediate response to emergencies, an emergency is an incident that shuts an organization down from doing business.
 - d. The loan amount must have a significant impact on the organization's ability to reopen its doors more quickly.
 - e. A committee, consisting of the executive director, at least one officer, and any Homer Foundation board member at large, has the authority to determine if the organization qualifies for the loan and will work with the organization to determine the repayment schedule.
 - f. If an additional request for funding is received during an organization's emergency loan program, the Executive Director, Board President, Community Grants, and Finance

Committee Chairs will comprise the committee to determine the amount of funding awarded or if the loan, or any portion thereof, will be forgiven.

g. The application should include the following:

-date of the emergency

-how the incident impacted the operation

-the amount of loan and proof of how it was expended

-a copy of the current operating budget

-for technology or other equipment, copy of tech plan, specifically how the organization has addressed maintenance and replacement of technology, not just "new" technology,
or

plans to address it in the future

-any unforeseen financial situations that make it a hardship for the organization to cover this expense

9) Restricted Community grants: (See Grant Review Waiver Guidelines.)

The HF will provide oversight for restricted community grants that align with criteria that the HF determines and reviews from time to time.

Office Procedure for Community grants:

1) Intake Process:

When an application is received staff reviews it for eligibility and charitable status, compliance with prior grant final reporting requirements, a balanced budget, completeness, and appropriate signatures. The original is dated and numbered, by year and grant number, (example: #17-25 is the twenty-fifth distribution request received in FY17), and copies are forwarded to the Community grants Committee chair. The Grant Distribution Tracking form is used to track the applicant and project data, review and award information, compliance with final reporting requirements, and funding source by fund name and accounting code number. All requests are entered into the grants database at least quarterly. Completed grants are scanned and stored digitally. Original scholarship applications must be retained. See the Record Retention Policy #14-01.

2) Determine Charitable Status:

Procedures to determine charitable status include requiring grantees to submit a copy of their IRS Letter of Determination or checking the IRS Business Master File, or IRS Publication 78, then checking the IRS Auto-Revocation of Exemption List (for community grants made after June 8, 2011). Verification of status will be recorded on the Grant Tracking Form.

a. Grants to Charitable Organizations: Grants to organizations described by the IRS in section 170 (b)(1)(A) and defined as a 501(c)(3) public charity, 509(a)(1) or (2), private operating foundations, and Type I & II supporting organizations where there is no control by a donor, advisor, or related party does not require expenditure responsibility.

b. Grants to Non-Charities: Grants to organizations other than those described by the IRS in section 170 (b)(1)(A), Type III supporting organizations that are not functionally integrated, and any supporting organization if the organization it supports is controlled by the donor or donor appointee or related party does require expenditure responsibility. Expenditure responsibility requires a higher level of due diligence: a thorough review of the proposal, budget, and other documents, additional research when warranted, and assurance that the project involves no personal or private financial benefit, lobbying, or electioneering. In addition to determining charitable purposes, the Foundation will obtain complete reports

from the grantee on how the funds were expended and will make full and detailed reports on the expenditures to the IRS.

3) Donor Intent:

Donor intent is determined from the purpose stated in fund agreements and/or written donor advice, as well as the donor's giving history. An annotated funds list is provided to the Community grants Committee Chair that describes the intended purpose of each fund. Staff reconfirms the donor's intent during the tracking and data entry process. When there is a living donor, or donor's agent, connected to the fund, notification of distribution is sent. All community grants from a fund will appear on the fund's quarterly financial reports, and in the Annual Report.

4) Acceptance/Rejection Letters and Letter of Agreement:

Each applicant receives a grant acceptance or rejection letter within the allotted timeframe. A copy of the letter is filed with the application. When an applicant is successful, a Letter of Agreement form accompanies the acceptance letter. This form outlines the specific purpose, terms, and conditions of the grant, and indicates that any changes must be made in writing and approved by the Homer Foundation. This form is slightly modified for each type of distribution. The Letter of Agreement form must be signed by a fiduciary of the organization and returned to the foundation where staff signs and dates the form before an award check is issued. The original signed Letter of Agreement is filed with the application; a copy is returned to the grantee with the award check. Applicants who receive rejection letters may not revise and resubmit their application unless requested to do so by the Community Grants Committee.

5) Changes to the Project: Any changes to the project as presented in the original grant application must be submitted in writing, reviewed by staff, and approved by the Community grants Chair in writing.

6) Grant Tracking and Reporting: Donor intent, receipt of final reporting requirements, and donor notification are all tracked on the Grant Tracking Form. Staff also shares final reports with the Board when feasible. At least quarterly, staff will review Grant Tracking Forms to assure grantees are current with all reporting requirements and send follow-up notices as needed.

7) Payment Procedures: For general grants programs, staff submits the signed Letter of Agreement to the bookkeeper for payment. Accounting codes appear on the Letter of Agreement to ensure proper fund accounting. For Agency Endowment community grants, staff provides the CPA with a list of Agencies directing their earnings into the corpus of their fund and the CPA makes the necessary transfers. Staff provides the bookkeeper with a list of Agencies directing the distribution of earnings to their organization. These Agencies receive their check and a Letter of Agreement that allows for the endorsement of the check to signify agreement with the terms and conditions of the distribution.

Community Grants from Donor Advised Funds:

The Community Grants Committee and staff will develop an active relationship with donor advisors to determine their interest, provide due diligence when a recommendation is made, and make recommendations to donors if/when likely grants come forward through the Homer Foundation year-round grants program.

- 1) Recommendations for grant awards from Fund advisors must be provided in writing on the attached “Community Grants from Donor Advised Funds” form.
- 2) The minimum grant recommendation to a single organization from a Donor Advised Fund is \$500.
- 3) In addition, the Community Grants Committee or staff may bring funding opportunities to the donor advisor’s attention. Staff will secure the donor advisor’s written approval for any award from their fund (email confirmation accepted).
- 4) Donor Advisor may recommend a distribution at any time during the year. Grants from Donor Advised Funds should occur at least annually. If the donor advisor ceases to provide annual advice or becomes non-responsive to the Foundation’s recommendations for funding, the Board of Trustees will make the determination on which projects to fund, taking into consideration prior grant award history from the Fund.
- 5) The Homer Foundation will provide due diligence through grant review, signed Letter of Agreement, and final reporting requirements, for all donor-advised distributions.
- 6) Grants from Donor Advised Funds must provide community benefit within the Homer Foundation’s service area, Ninilchik South, including the communities across Kachemak Bay. Grants outside this service area are not encouraged and must be approved by the board of trustees. There must still be some connection to, and benefit within the Foundation’s service area.
- 7) Grants from Donor Advised Funds may not be used to fulfill a pledge or be used to secure goods or services (i.e. tables, tickets to events) or to benefit the donor, advisors, or other related parties.
- 8) Recognition of the grant will be in the Fund Name, not the individual or family member’s names.
- 9) Donor Advised Funds may not make grants to individuals.

**The Homer Foundation
P.O. Box 2600
Homer, AK 99603**

Donor-Advised Grant Recommendation Form

Fund Name:

Donor Advisor:

Recommendation:

Name of Charitable Organization/s:

Fund holder's name is to remain anonymous

Fund holder's name may be released to the recipient/s.

I understand that this is a recommendation only and not a direction and that the Homer Foundation will ensure that this distribution meets the regulations of the Internal Revenue Code and is compliant with the policies and procedures of the Homer Foundation and the National Standards for Community Foundations.

I certify that per IRS regulations, this recommendation does not represent the payment of any personal pledge or financial obligation, or provide benefit or compensation to me, my relations, or advisors. No benefits or privileges have been or will be accepted in connection with this grant.

I understand that recognition of this distribution will be in the Fund Name, not my or other individual's name/s.

Signature

Date

Print Name

APPENDIX 2: Grant Review Waiver and Guidelines Form

THE HOMER FOUNDATION

GRANT REVIEW WAIVER GUIDELINES v. 12.9.21

The full committee review process for distribution may be waived when certain criteria are met and it is recommended by staff and approved by the Community Grants Committee Chair.

1. **Donor Advised Fund recommendations:** the full committee review process may be waived if the recommendation is submitted on the Donor Advised Recommendation Form and the funding is for general operating support or for a program or project of a qualified 501(c)(3) organization with which Foundation has a prior funding relationship; or for a project that the Homer Foundation is the fiscal sponsor, or with whom the HF has an MOU agreement.
2. **Pass-Through Recommendations:** the full committee review process may be waived if the funding is for general operating support or for a program or project of a qualified 501(c)(3) organization with which the Foundation has a prior funding relationship; or for the project that the Homer Foundation is the fiscal sponsor, or with whom the HF has an MOU agreement.
3. **Field of Interest Fund Grants:** the full committee review process may be waived if the funding is for the same organization or project annually, or for general operating support for a qualified 501(c)(3) organization with which the Foundation has a prior funding relationship; or for a project that the Homer Foundation is the fiscal sponsor, or with whom the HF has an MOU agreement.

DUE DILIGENCE: For all grants, staff will provide due diligence per HF policies and procedures.

OVERSIGHT: For all grants awarded through the Waiver process, the terms of the award will be detailed in a signed Letter of Agreement, and recorded and tracked following HF policies and procedures. For annual grants for general operating support, the requirement for a final evaluation may be waived.

**THE HOMER FOUNDATION
GRANT REVIEW WAIVER RECOMMENDATION FORM v.12.9.21**

This recommendation meets the following criteria for a grant review waiver a:

- Donor-Advised Fund Recommendation**
- Pass-Through Recommendation**
- Field of Interest Fund Annual Distribution**

Distribution # _____ **Date** _____ **Amount \$** _____

Advisor Name: _____

Fund Name: _____

Organization Name: _____

Recommendation Form attached, briefly state purpose: _____

Staff verifies that:

1. The Fund has adequate earnings available, or an appropriate contribution amount has been received: \$ _____ as of _____.
2. To our knowledge the donor is receiving no personal benefit and this distribution is not fulfilling a prior pledge.
3. The intended recipient is up to date with all final HF reporting requirements.

Recommended by Staff:

Signature Date

Approved by Community Grants Committee Chair:

Signature Date

HOMER FOUNDATION
COMMUNITY GRANTS COMMITTEE
CONFLICT OF INTEREST STATEMENT (Form A)

The Homer Foundation abides by a conflict-of-interest policy, the purpose of which is to ensure that no board or committee member with a relationship to a grantee influences the decision on that application. All awards must be objectively based on stated criteria without regard to other factors not contained in the application.

Committee members with a conflict may not participate in the discussion, and they shall not vote on that application. The conflicted member is not allowed to be present for the proceedings.

This conflict-of-interest standard applies to all board members, committee members, and other volunteers acting in a decision-making capacity on behalf of the Homer Foundation.

In the case of a virtual meeting, members must verbally affirm that they do not have a conflict of interest regarding the application being discussed.

All committee members must sign below indicating acceptance of and adherence to this policy.

Committee Members:

Name (please print): _____ Signature: _____

Name (please print): _____ Signature: _____

Name (please print): _____ Signature: _____

Name (please print): _____ Signature: _____

Name (please print): _____ Signature: _____

Name (please print): _____ Signature: _____

Name (please print): _____ Signature: _____

As Chair of the Committee, I certify that I have advised all members of the Conflict of Interest policy, and affirm that all conflicts are disclosed on the Award Recommendation Form.

Chairperson – Please Print

Chairperson's signature

Date

APPENDIX 4: Community Impact Grant Letter of Inquiry

Letter of Inquiry Instructions

For grants over the amount designated for the Quick Response Grant, a letter of inquiry to the Board of Trustees starts the application process. This letter helps us determine if your organization and project are of interest and eligible for grant consideration; if so, you will be invited to submit a full application to the Board of Trustees. After receipt of your letter, it will be considered at the next regularly scheduled Board meeting. The Board typically meets on the fourth Wednesday of the month excluding July and November. There are no deadlines for submission, however, there is a minimum of a 3-month timeline for a final decision with this process.

In this letter of intent, please include:

- A brief background of your organization, including a mission statement; date founded; staff and board size; constituency and geographic region served; type(s) of service provided; and annual operating budget size.
- A description of the project a Homer Foundation grant would support. Discuss how you reached the decision to pursue this project; the factors contributing to the need or opportunity; the project's importance to your organization and constituency; and the level and nature of commitment of your staff and board. Also, include beginning and end dates for this project.
- A proposed budget, in summary, form, for the total project cost and the amount you intend to request from the Homer Foundation. If possible, identify the specific budget item(s) to be funded by Foundation support, and indicate potential or actual sources of support outside of the Foundation.
- Your reasons for approaching the Foundation for this project, including community benefit and the number of community members benefiting from this project. Disclose any past history with the Foundation or any contact you've made with Foundation staff or others that may have influenced your decision. Please note any other factors you believe would help us understand your situation and request.

We request that this narrative should not exceed three typed single-space pages, excluding financial data. Once complete, send your letter to the Homer Foundation staff. Please contact the office if you have any further questions.