



Delaware Valley Legacy Fund

Grantmaking Due Diligence Policies and Procedures

Policy

The Delaware Valley Legacy Fund works and communicates openly with all constituents including donors, grant applicants, and the general public to ensure that all grants are used for charitable purposes to improve the quality of life for our communities. DVLf 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.
- Grants are only made to organizations (including fiscal sponsors) that are in good financial health and well managed, 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 partner or family. Further, no benefit from any grant shall accrue to any professional 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 Delaware Valley Legacy Fund's board of directors.

Procedures

1. Grants only for charitable purposes.

DVLf is responsible for ensuring that grantees either have 501(c) (3) public charity status or they are tax exempt organizations applying for a grant to be used solely for charitable purposes as defined by IRC Section 170. Alternately, grantees may have a fiscal sponsor that will serve as the tax exempt organization. In the case of the latter, expenditure responsibility procedures will be followed (see section on expenditure responsibility guidelines) according to the perimeters set by the Pension Protection Act of 2006. Further, the grant must be used solely for the charitable purpose for which it was intended and granted.

In the case of competitive grants, an official representative of the grantee must sign a Grant Agreement which indicates the organization's agreement to these two requirements. The award

letter further states that by cashing the enclosed grant check, the grantee agrees to these stipulations.

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

The Delaware Valley Legacy Fund is responsible for the thorough review of each competitive application received by the foundation. In cases where there is a donor-advised program or grantmaking program involved, the review committee (such as the National Lesbian & Gay Journalists Association, Liberty Gay Rodeo Association, or New Hope Celebrates, etc), must share the process in writing with the Delaware Valley Legacy Fund, in advance of the grant or scholarship recommendation.

A summary is also prepared for the full board for its review and consideration when it makes the final decisions regarding grant awards. The review includes, but is not limited to:

- Reviewing the agency/fiscal sponsor's financial audit or accountant review
- Checking the proposed project budget
- Checking the agency/fiscal sponsor's legal name and its tax exempt determination letter or other applicable documentation
- Ensuring that the fund that will support the grant is appropriate given the charitable purpose of the fund as established by the donor(s)

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

On an annual basis, all staff, board, and committee members complete conflict of interest statements indicating the organizations with which they may have material or potential conflicts. If a director, board member or volunteer has a conflict with a particular grant application, the person announces publicly his/her association and does not vote on the grant recommendation.

4. Grants are used by each grantee for the appropriate purposes as approved by the Delaware Valley Legacy Fund Board of Directors.

All competitive grants require a written final report including a financial accounting of how the grant was spent. It is the Outreach & Grantmaking Committee's responsibility to review the grant report and to make sure that the grant money was used for its intended purpose that is, the purpose approved by the board of directors. If the funds were not used for the intended purpose, the DVLFF may request for the funds to be returned.

Section II – Competitive Discretionary Grant Policies and Procedures

Grant Award Eligibility

Organizations are eligible to receive a grant from the Delaware Valley Legacy Fund once each grant period. Organizations determined by the Internal Revenue Service as 501 (c) (3) public charities and other tax exempt organizations, if the proposed project is solely for charitable purposes, must meet the minimum IRS qualifications through documentation of exemption. Organizations must serve the region in DVLF's service area. In general, DVLF requires the following information as part of the application process.

- (1) Copy of tax exempt status letter from IRS or Government Certificate of Exemption from public schools (or the letter from the grantee candidate's fiscal sponsor)
- (2) Legal name of organization, address, and contact information (phone, fax, email address)
- (3) Primary contact person and title
- (4) Most recent financial statements or audit, if available (or from fiscal sponsor)
- (5) Current year operating budget (or from fiscal sponsor)
- (6) List of current board of directors or equivalent governing body (or from fiscal sponsor)
- (7) Organization Case Statement, which may include a recent annual report and brochure describing the organization's programs and/or services

Request for Proposal

- (1) A press release announcing the upcoming grants cycle is distributed to newspapers and other media sources in the region.
- (2) The foundation's website lists grant proposal deadline dates and grant guidelines and a grant application.
- (3) Letters and emails to nonprofits in the region area on a mailing list using the DVLF Community Resource Directory.

Application Information

For each funding request, applicant organizations are required to submit the following program information to the Delaware Valley Legacy Fund:

- (1) Completed application, depending on the funding initiative or scholarship
- (2) Requested amount, if applicable
- (3) Detailed Project information – we are currently funding capacity building grants
- (4) Project budget and narrative
- (5) Evaluation plan and anticipated outcomes
- (6) Project partners and/or consultants, if applicable
- (7) Signature of the authorized representative (i.e. president or executive director of the applicant organization)

Review and Selection Procedure

Upon receipt of grant proposals, DVLF conducts an initial review to determine that the required elements of the proposal are included and that there is consistency with the organization's mission and purpose. When there is information missing or there are initial concerns, staff directly contacts the organization to resolve the matter. Upon a more thorough reading of the proposal, staff and the Outreach & Grantmaking Committee leaders make initial recommendations for funding based on the merits of the proposal, grant history to the organization, and available resources. In some cases, staff may seek the advice of advisors outside the Delaware Valley Legacy Fund on the merits of a particular grant proposal. The Outreach and Grantmaking Committee, comprised of members of the board as well as donors, volunteers, and activists from the region, review proposals and recommends grant awards. Site visits and/or phone calls may be conducted by committee members and/or DVLF staff to all eligible applicant organizations to gain more information about the organization and proposal. The Grants Committee review may take up to 6-8 weeks, culminating in a Grant Proposal Review meeting at which the grants committee comes to consensus on grant awards. The full board of directors reviews summary information on the recommended proposals and gives final approval for these grant awards in its next regular meeting.

Criteria for Evaluating Proposals

1. Screening for eligibility: Does the organization serve one or more counties that the DVLF represents? Has the organization provided basic documentation, including IRS determination letter, IRS form 990, and financial statements? Is there a clear and concise proposal summary to allow one to determine its eligibility for consideration? Does the request meet the legal requirements and the interest of the Delaware Valley Legacy Fund and/or its grantmaking partners?
2. Organization strength: Is this a credible organization, especially in the program area in which funds are requested? What is its mission? What is its professional standing within its community? What is its track record? Who is served and are there similar programs in the same geographical area? Is there evidence of community support? What are the distinctive merits of this organization?
Keep in mind that the answers for smaller, grassroots organizations must be reviewed with a different lens, given the lack of history and organizational infrastructure.
3. People: Do key personnel have the necessary expertise to undertake the proposed capacity building? Who provides leadership and vision for the organization? Is the management well-organized? Does the board composition reflect an appropriate diversity of skills and backgrounds?
4. Financial condition: How does the agency meet day-to-day operations? Is there a broad base of support? If there is an operational deficit, how does the agency intend to meet the deficit? Does the program budget make sense? Is it inflated or inadequate?

5. Identified need to be addressed: Has an important problem of workable dimensions been presented and data been given to substantiate the problem? Or, has the proposed need been presented and documented from only the perspective of the grantee?
6. Program objectives: What will be accomplished with the proposed funding? Are the objectives realistic and measurable? Do they relate to the stated problem or need? If this is a new activity or approach, what has been learned from research or a similar program?
7. Methods: Are the plans sufficiently detailed? Is there evidence given that support the proposed results? Is the timetable for implementation realistic? Is staff adequate and capable enough to reach objectives?
8. Evaluation: Is there a procedure designed to measure accomplishments or objectives? For pilot or model programs, what plans have been made to share the results with others and implement the findings?
9. Future Funding: If the capacity building is to be continued beyond the grant period, is a verifiable plan presented for future financial support?

Notification Procedure

Following the board of directors' approval of grant awards, grant recipients are notified by mail. A cover letter and grant acceptance agreement must be signed by the president or executive director and returned for co-signature by the DVLF's Executive Director. Organizations whose proposals do not receive funding are notified by letter. The rationale for declining their proposal is given by staff, as well as guidance on any future proposal submission. A press release announcing the grant recipients is distributed to newspapers in the region.

Grant Award Characteristics and Reporting Requirements

The recipient organization must adhere to the project dates and proposal, as approved by the Outreach and Grantmaking Committee, and contact DVLF staff with any revisions for approval. All grantee organizations are required to submit a completed final report by a date specified by the Committee. If reports are not received by the specified date, the organization will not be considered for funding in the following year and may be asked to return the funding they received.