

MARY E. BIVINS FOUNDATION
GRANTMAKING POLICY

PHILANTHROPIC OBJECTIVES

The Mary E. Bivins Foundation has identified eldercare as its primary philanthropic objective as well as two additional priority areas – religious-based charitable endeavors and community-based charitable endeavors.

- *Eldercare:* The Mary E. Bivins Foundation has the primary purpose of supporting the Lee Bivins Foundation and Betty Bivins Childers Foundation in order to provide housing, programs, and services so that elderly citizens can continue to live fulfilling and dignified lives.
- *Religious-Based Charitable Endeavors:* The Mary E. Bivins Foundation will distribute funds to aid and assist worthy Christian religious undertakings that address critical community needs and to educate ministers to preach the Christian religion. Scholarships are currently restricted to students classified as juniors, seniors, and graduate students seeking an education leading to a Bachelors or Master’s Degree in a field that prepares the student to preach the Christian religion or enter into vocational ministry. (See Scholarship Program Policy.)
- *Community-Based Charitable Endeavors:* The Mary E. Bivins Foundation provides funds for charitable purposes which address the specific nonrecurring needs of qualified nonprofit organizations committed to improving and enriching the quality of life in the 26 counties of the Texas Panhandle.

ELIGIBILITY REQUIREMENTS

To be eligible for funding the applicant organization must:

- Be a 501(c)(3) nonprofit organization that is classified as a public charity per Section 509(a)(1) or Section 509(a)(2) of the Internal Revenue Code
 - This includes entities classified as a political subdivision of the State of Texas (i.e. governmental unit such as a county, city, town, or special district such as a school district, hospital district, etc.) per Section 170(b)(1)(A)(v) and tax exempt per Section 170(c)(1) of the Internal Revenue Code.
- Use grant funds within and for the benefit of the residents and communities of the northernmost 26 counties of the Texas Panhandle.

FUNDING GUIDELINES

Preference is given to community-based programs and services that assist in furthering the Foundation’s primary philanthropic objective of eldercare. Organizations should provide evidence of community support for the request, ability to work with other agencies, minimization of duplication of services, and evidence of ability to accomplish and evaluate the outcomes identified. Organizations should not request funds more than once in a 12-month period. (It is recommended that organizations wait at least two years between requests.)

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The Board will not consider a request from an organization that has an open grant. All open grant requirements, including reports, must be complete before an organization is eligible to apply.

An organization is defined as a single entity that has an IRS approved tax exempt designation. Foundation staff utilizes the organization's federally assigned Employee Identification Number (EIN) to verify that the organization is a 501(c)(3) nonprofit or governmental information letter that defines an organization as a governmental entity and/or political subdivision exempt from taxation. The Bivins Foundation will only consider one request at a time from each EIN/political subdivision no matter how many programs, departments, or campuses an organization has. In addition, only one application will be considered from each system (e.g. university, school district, etc.) no matter how many unique EINs exist within the overall system.

The Mary E. Bivins Foundation will consider granting funds to a fiscal sponsor as long as:

- (1) The *Grantmaking Policy* is followed;
- (2) The project to be supported is charitable;
- (3) The project/organization is not part of an overall system (e.g. university, school district, etc.) that has a parent organization or other organization eligible and responsible for grant requests for the system; and
- (4) The guidelines outlined in the *Bivins Foundation Fiscal Sponsor Policy* are followed.

In general, the Foundation is **less likely** to support the following activities and views them as a **low priority**:

- Annual operating expenses of organizations.
- Conferences, workshops, seminars, symposia, etc.
- Publications, videos, etc.
- Tax support replacement or projects that could be supported through raised taxes
- Organizations located outside the twenty-six county area (even though project efforts may benefit Panhandle residents and communities).

In general, the Foundation does not grant funds for:

- New organizations (i.e. less than three years of operations)
- New initiatives that do not receive their primary funding through other sources
- Endowments
- Reduction of an operating deficit or debt reduction
- Fundraising activities such as annual campaigns, courtesy advertising, benefit tickets, special events, and telephone solicitations.
- Travel, tours, trips.
- Salary support
- Capital campaigns of area nursing homes and assisted living facilities for building and facility projects

The Foundation will not grant funds for:

- An individual or for an individual/s benefit
- Political lobbying or legislative activities
- Capital projects or campaigns of area churches for building and facility projects

MINIMUM GRANT AMOUNT

In general, the Foundation will not consider a grant request for less than \$5,000.

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When a grant is earmarked for a particular individual or organization, the IRS is free to disregard the existence of an intermediary organization and consider the grant as made directly to the ultimate recipient. Earmarking is defined as any oral or written understanding that a grant will be spent in a particular fashion. According to the IRS, a charity cannot be a "mere conduit" through which contributors' cash flows. Rather, the charity must exercise discretion and control over those contributions for the IRS to consider them gifts to the charity, not some entity further down the line.

Based on this fact, a grantee or fiscal sponsor is not legally bound to disburse funds to the sponsored organization identified and may decide to disburse the funds to other organizations instead, as long as that choice effectively carries out the purpose of the grant. Therefore, the Mary E. Bivins Foundation has adopted a policy regarding fiscal sponsorship.

MEBF POLICY REGARDING FISCAL SPONSORSHIP

The Mary E. Bivins Foundation will consider awarding a grant to an organization or project that has a fiscal sponsor. Important information regarding fiscal sponsorship is provided below. The items listed below must be provided along with any grant application that utilizes a fiscal sponsorship.

Fiscal sponsorship generally entails a nonprofit organization (the "fiscal sponsor") agreeing to provide some or all of the administrative services and oversight to, and assume some or all of the legal and financial responsibility for, the activities of a group (the "sponsored organization"). Related to grants, a fiscal sponsor is a 501(c)(3) nonprofit organization that provides fiduciary oversight, financial management, and other administrative services for another organization or project that does not have its own tax-exempt status with the Internal Revenue Service (the "sponsored organization").

Two things must be true in all fiscal sponsorship relationships. (1) The proposed work must be aligned with the fiscal sponsor's charitable mission or purpose and (2) the fiscal sponsor must maintain full discretion and control over any awarded grant funds. Fiscal sponsors should have the organizational capacity to manage and accept the risks involved with fiscal sponsorship. Sponsored organizations must be qualified to carry out the proposed work or project.

Any grant approved will be made payable to the Fiscal Sponsor as the tax-exempt organization representing the sponsored organization. The Fiscal Sponsor assumes legal and financial responsibility for the grant funds and assumes fiduciary responsibilities for the project as though it were a project of the Fiscal Sponsor. It will be the Fiscal Sponsor's responsibility to ensure that all reports and submissions are provided in a timely manner to MEBF for any grant that is approved. Therefore, it is extremely important that the Fiscal Sponsor and the sponsored organization have an agreement in place.

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The Fiscal Sponsor must send in the following with any grant application:

1. The Fiscal Sponsor's Letter of Determination from the IRS verifying its 501(c)(3) tax-exempt status or governmental information letter.
2. On agency letterhead, a letter signed by the Executive Director and Board President indicating the following information
 - a. Duration of the time of the relationship between the entities
 - b. Nature of the cooperative relationship between the entities
 - c. Willingness to administer the grant, if awarded
3. Copy of Board meeting minutes where the fiscal sponsor relationship was approved
4. List of Board members
5. Copy of current operating budget
6. Year-to-date financial statements (Both year-to-date Statement of Activities (income and expense) and year-to-date Statement of Financial Position (balance sheet))
7. Copy of most recent financial audit or IRS Form 990
8. A signed Fiscal Sponsorship Agreement outlining the terms of the fiscal sponsorship. **This document should contain all the following information:**
 - a. Date the fiscal sponsorship is effective
 - b. The roles and responsibilities of the Fiscal Sponsor
 - i. Acknowledgement regarding 501(c)(3) taking full legal liability for accounting for grant income and expenses and reporting on grant activities
 - ii. Specify that the fiscal sponsor is responsible for all legal compliance relating to receiving, reporting, and acknowledging charitable donations
 - c. The roles and responsibilities of the Sponsored Organization
 - i. Outline the details of the project management and related activities
 - d. Provide a detailed explanation of how the sponsored project constitutes a charitable endeavor as described in section 170(c)(2)(B) of the Internal Revenue Code. Please include a detailed description of the public benefit and an assurance that sponsored project representatives will not profit from the funded project
 - e. Statement prohibiting the use of funds for political campaigns on behalf of or in opposition to any candidate for public office
 - f. Details regarding management of Project Funds, including processing and acknowledgement of cash and noncash revenue items, accounts payable and receivable, disbursement of Project funds (including grants), bookkeeping and financial audits
 - g. Conditions for Termination of Agreement