

Grantee's Acceptance and Understanding

This statement is to assure the Z. Smith Reynolds Foundation (Foundation) that the following grant meets all requirements of the Tax Reform Act of 1969 and amendments thereto:

FOUNDATION ACTION: «AutoMergeField»

This grant is herewith acknowledged and accepted for payment at the appropriate time under the following conditions:

1. Grantee confirms that the Internal Revenue Service has determined that it is an organization described in Section 501(c)(3) of the Internal Revenue Code and is a publicly-supported organization and not a private foundation, and that said determination has not been revoked; or grantee confirms that it is a governmental agency. Grantee will use this grant only for charitable and educational purposes consistent with such tax-exempt status.
2. This grant will be used only for the purposes specifically set forth above under **FOUNDATION ACTION**. Any portion of this grant not used for these purposes will be repaid to the Foundation. Any condition or purpose set forth in the grant resolution or in this Grant Agreement shall take precedence over any conflicting provision in the proposal submitted by the Grantee. Unless otherwise stated, the period of the grant shall be one year.
3. A written report will be submitted to the Foundation by Grantee annually, or at such other intervals as reasonably requested by the Foundation, on the manner in which the funds are spent and the progress made in accomplishing the purposes of the grant.
4. A full and complete final written report, showing expenditures of funds and the progress made in accomplishing the purposes of the grant, will be submitted to the Foundation when all funds have been expended.
5. Records of receipts and disbursements will be maintained by Grantee and such books and records will be made available to the Foundation or its representative upon request.
6. Grantee confirms that (a) this grant is not earmarked to be used for lobbying or in an attempt to influence legislation, and (b) if this grant is a project-specific grant, the amount of this grant, together with other grants from the Foundation for the same project during the same year, does not exceed the amount budgeted by Grantee for the year of this grant for project-specific activities that are not lobbying or attempts to influence legislation. If this grant is disbursed over a period of more than one year, the preceding requirements shall apply to each year of the grant, measured by the amount disbursed by the Foundation in each year.
7. Grantee will not use any of these grant funds for any purpose or activity which would constitute a taxable expenditure under Section 4945 or a political expenditure under Section 4955 of the Code, including without limitation any activity that would constitute participation or intervention in any political campaign on behalf of (or in opposition to) any candidate for public office, or to undertake any activity or fund any expenditure for any purpose other than one specified in Section 170(c)(2)(B) of the Code.
8. This grant will be used only for expenses incurred during the grant period, unless an extension is requested by the Grantee and approved by the Foundation. Any portion of the grant not used for expenses incurred during the grant period or any approved extension thereof shall be returned to the Foundation at the conclusion of the grant period or authorized extension thereof, as applicable. The grant may not be used to pay for expenses incurred prior to the grant resolution date unless approved by the Foundation.
9. Grantee will promptly notify the Foundation if Grantee's tax-exemption status is revoked or modified in any way.
10. Grantee accepts and will retain full responsibility for compliance with the grant terms and conditions. The Foundation has not directed and does not have authority to direct that funds from this grant be distributed to any designated third party.
11. Grantee certifies that all funds will be expended for, and must be used for the actual, direct accomplishment of, one or more charitable purposes within the State of North Carolina.
12. The person signing below certifies his or her authority to execute this agreement on behalf of Grantee.

IN WITNESS WHEREOF, this Grantee's Acceptance and Understanding is duly executed this ____ day of _____, 20____.

NAME OF GRANTEE ORGANIZATION

By: _____ Title: _____
President or Other Authorized Official

Payments of Grant: Unless a specific payment date is stated in the grant resolution, a written request for payment of the grant is required. The request should be sent to: *Ms. Leslie J. Winner, Executive Director, Z. Smith Reynolds Foundation, 147 South Cherry Street, Suite 200, Winston-Salem, NC 27101-5287.* Alternatively, the letter may be e-mailed to documents@zsr.org. Payment of the grant should not be requested until grantee has need for actual expenditure of the funds. **Grantee should request payment at least 30 days prior to the desired payment date.** *If the grantee has not requested payment of the grant award by the end of the calendar year following the year in which the grant is payable, the grant will be automatically rescinded.*

If grantee has received previous grants from the Foundation, all reporting requirements on those grants must be met before payment of this grant will be made.

If the grant is conditional or contingent, all conditions and contingencies must be met before payment will be made.

Matching Requirements: If the grant resolution provides that the grantee (1) must match the funds granted by the Foundation or (2) must raise additional funds, these conditions will be satisfied when the matching or additional funds are in hand or pledged, provided such pledges are reasonably considered to be firm and binding on the part of those making such pledges. To notify the Foundation that the organization has met its matching requirement, please complete the Matching Grant Form (found at www.zsr.org) and submit it to documents@zsr.org.

- (1) Unless otherwise stated, a match must be met by raising “new money.” “New money” is defined as funds raised from sources which have not previously contributed to the organization or funds contributed by a donor in excess of the donor's prior contribution, i.e., if a donor has previously contributed \$100 and now contributes \$150, then \$50 of that amount would be considered new money. “Not previously contributed” means has not made a contribution in the three most recently completed fiscal years.
- (2) If the grant is to be matched on a ratio basis (i.e., 2-for-1, 3-for-1, etc.), grantee will have two years in which to meet the matching requirements unless stated otherwise in the grant resolution, and matching funds will include only those amounts secured on or after the date of the Foundation's grant resolution. The start of the two-year period will begin with the date of the Foundation's grant resolution. In the case of multi-year grants requiring a match in each year, grantee will have two years for each year the grant is funded in which to meet the matching requirement.
- (3) If the duration of the project is greater than one year and additional funds must be raised from other sources to accomplish the project, grantee will have two years in which to raise the additional funds unless stated otherwise in the grant resolution. The start of the two-year period will begin with the date of the Foundation's grant resolution.
- (4) In-kind contributions, whether in the form of provision of staff, space, equipment or labor, may be considered in meeting the matching requirements if they reduce the actual amount required in the budget submitted to the Foundation and on which the Foundation based its matching requirements.
- (5) Matching grants may not be paid incrementally unless specifically approved by staff. This means, as a general rule, that the Foundation will not pay its funds until the entire matching amount has been raised by the grantee.

BUDGET CHANGES: In the event the budget submitted by the grantee to the Foundation upon which the Foundation's grant was predicated, needs to be modified during the course of the project due to the size of the Foundation's grant, the availability of funds from other sources, or other compelling circumstances, the revised project budget and objectives shall be submitted to the Foundation at the time such changes are approved by the Board of Directors or duly authorized staff member of the grantee organization.

Any modification of grantee's budget or objectives which would substantially alter the proposed activities or outcomes of the project shall be reviewed and approved in writing by an appropriate representative of the Foundation. This approval must occur prior to funds being released to the grantee if the modification is known to the grantee at that time.

SUBMISSION OF REPORT(S): **One-Year Grants:** The Foundation requires that the grantee submit a **Final Report** to documents@zsr.org 15 months from the date payment is issued. Grantees will certify in the Final Report on the outcomes of the grant and will provide a complete financial accounting indicating how the grant funds were expended in accordance with the Foundation Action (on reverse side) and in accordance with this agreement. **Multi-Year Grants:** The Foundation requires that the grantee submit a **Progress Report** to documents@zsr.org 12 months from the date the first year's payment is issued (for two- and three-year grants) and 12 months from the date the second year's payment is issued (for three-year grants). The Final Report will be due 15 months from the date the final year's payment is issued. **Reports can be found at www.zsr.org.**