

Grantees Acceptance and Understanding Form NOVEMBER 2016

Grant Resolution

Z. SMITH REYNOLDS FOUNDATION

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:

Grant Resolution

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Revenue Code and is a publicly-supported organization and not a private foundation, and that said determination has not been revoked; or grantee confirms that it is a governmental agency.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 **GRANT RESOLUTION**. 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 **grant period shall begin with the date noted in the above grant resolution** and end twelve months from the date of payment unless otherwise stated in the grant resolution. For multi-year grants, the grant period ends twelve months from date of the final payment. Should the Grantee desire to extend the period for grant expenditures beyond the grant period, it should contact the Foundation and request a Grant Extension form. A Grant Extension form will be placed in the grantee's online account. After completion, it should submit the grant extension form at least one month prior to the end of the original grant period. After the form has been received and **deemed acceptable by the Foundation staff**, the grant extension will be granted.
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. (See Grant Payment(s) and Submission of Reports sections.)
4. A full and complete written Final 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. (See the Submission of Reports section.)
5. Records of receipts and disbursements will be maintained by Grantee for seven (7) years after the end of the grant period 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 IRS 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 expenditure 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 that the Grantee's Acceptance and Understanding Form has been read in its entirety and has given his or her authority to execute this agreement on behalf of Grantee.

IN WITNESS WHEREOF, this Grantee's Acceptance and Understanding is duly executed on

Date

Organization Name

Acknowledgement Signature
By: (President or Other Authorized Official)

Date Grant Awarded: Total Amount of Grant: Title of Project:

Grant Schedule & Grant Payment(s)

Grant Schedule

Grant Schedule:

Grant Start Date: Begins with the resolution date. A grantee may use grant funds for work that begins on this date.

Funds Availability Date: For grants made November 2016, funds are available in January 2017 unless the grant resolution states the grant is payable in July 2017.

Grant End Date: 12 months from end of final payment disbursement.

Rescission Date: Grants will be automatically rescinded if payment has not been requested by

- For *one-year grants* made in November 2016: Rescission date is 6/30/18.
- Rescission date for grants payable in July 2017 is 12/31/18.
- For *two-year grants* made in November 2016: Rescission dates are 6/30/18 for first year's payment and 6/30/19 for second year's payment.
- Rescission date for grants payable in July 2017: Year-one rescission date is 12/31/18 and year-two rescission date is 12/31/19.

Grant Extension (refer to #2 from Grant Resolution tab):

- If grant has already been paid, request must be made **at least one month prior** to grant end date.
- If grant has not yet been paid, request must be made **at least one month prior** to grant rescission date.

Reporting Requirements Due:

- **Progress Reports:** For a grantee that is applying for another grant with an active grant(s), a Progress Report form will be provided in the grantee's online account **AFTER** submission of a new online application. The Progress Report form is due on the date specified in the report.
- **Final Reports:** After the last payment has been made, a Final Report form will be provided in the grantee's online account and will be due fifteen (15) months from the date final payment was disbursed.
- **Interim Reports - FOR STRATEGIC MULTI-YEAR GRANTS ONLY:**
 1. **For the second-year payment** - After the first year's payment has been made, an Interim Report form will be provided in the grantee's online account. The Interim Report is due eleven (11) months from the date of the first payment's release.

Grant Payment(s)

Grant Payment(s):

Directly following the Board of Trustees meeting, the Foundation reserves a limited amount of time for legal processing before comprehensive notification of the grant award is emailed and funds become available. **For grants approved in the month of November, funds should be available as early as January unless the grant resolution states the grant is payable in July 2017.**

Payment of the grant should not be requested until the Grantee needs to expend the funds. **The grantee should complete the Request for Payment Form at least 30 days prior to the desired payment date.** *If the Grantee does not request payment eighteen (18) months after the funds are available, the grant will be automatically rescinded.* (For example, if a **one-year grant** is awarded in November 2016, funds should be available in January 2017, and the grantee should request payment before June 30, 2018 to avoid the grant being rescinded. If a **two-year grant** is awarded in November 2016, funds should be available in January 2017, and all payments would have to be disbursed before June 30, 2019 to avoid the grant being rescinded.)

Before release of any funds can be made:

- *If the Grantee has received previous grants from the Foundation, all previous reporting requirements that are delinquent must be submitted to the Foundation before release of funds on any new grants can be made.*
- *If the grant is conditional or contingent, all conditions and contingencies must be met before payment will be released.*
- *If a match is required, the organization must have met the full match amount before the matching portion of the grant will be released. Refer to the Matching Requirements section of this document for complete information. Also, a sample copy of the Matching Grant form can be viewed on our website at www.zsr.org under "For Grantees".*

To request payment of the grant(s):

You must complete and submit online a **Request for Payment Form**. In addition, this **Grantees Acceptance and Understanding Form** must be completed and submitted separately from the Request for Payment Form. *(Both forms are available in your online account and must be submitted to receive payment.)*

To Access Your Online Grant Account:

- From our website at www.zsr.org under "For Grantees" tab, select the link to log into your account.
- Enter the *same email and password* used when completing your grant application.
- Select "Requirements" in the top left-hand corner. The Request for Payment Form is listed.
- Open the Request for Payment Form, complete, and submit.
- Open the Grantees Acceptance and Understanding Form, *read thoroughly*, complete, and submit.
- Once any requirement form has been initially opened and closed, but not submitted; to reopen the form, under the drop-down box "Show", select "In Progress".
- *If your email address has changed or is different from the email address used when submitting the application, please contact the Foundation at 336-725-7541.*

(*Please note that any forms referenced in this document will be accessed in this manner. Refer to the "Grant Resolution" on page one of this form for any stipulations required in the execution of the grant.)

Strategic Grant Multi-Year Payments (Strategic Grants with funds disbursed in two or more years. This does not apply to any Small Grants):

- If this is a multi-year strategic grant, only the first-year payment needs to be requested; subsequent payments will be released once the Interim Report is submitted and **deemed acceptable by Foundation staff**, assuming all other reporting and contingency requirements have been met. **An Interim Report form will be provided in your online account.**
- For the second-year payment - the Foundation requires that the Grantee submit an **Interim Report eleven (11) months** from the date of the first-year's payment. Once the Interim Report has been received and **deemed acceptable by Foundation staff, second-year funds will be disbursed.**

Small Grant Multi-Year Payments:

If this is a multi-year small grant, only the first year's payment needs to be requested; the second year's payment will be released **automatically.** (An Interim Report is not required for Small Grants.)

Diversity Requirement

Diversity Requirement

Diversity Requirement: (see www.zsr.org under "About", Our Vision)

The following are a series of action steps to be taken by the Foundation when the governing board of a grantee organization does not have a racially/ethnically diverse governing board that is reflective of the geographic area served by the organization.

- The Foundation will notify the Grantee by email indicating concern over the lack of racial diversity of its board and will provide a **Diversity Plan Form** in its online account. The Foundation believes that racial diversity on an organization's board is valuable to the organization's growth and success. On the Diversity Plan Form, the organization is to respond with a written plan detailing how it intends to address the issue of board diversity including a reasonable timeline for achieving the organization's diversity goal.
- If the organization, in good faith, determines that it will take more than one year for its governing board to become appropriately representative, then the organization's plan must set out what steps the organization will take in the interim to be inclusive and to take into account the views and needs of diverse communities while it is implementing its diversity plan.
- **Grant funds will not be released until the written plan is submitted to the Foundation and deemed acceptable by the Foundation's Executive Director or the Executive Director's designee.** The Executive Director will report to the Board of Trustees a list of organizations requested to submit a written plan.

Submission of Reports

Submission of Reports

Submission of Reports:

Progress Reports:

When the Grantee is applying for a new grant, the Foundation requires that the Grantee submits a Progress Report on any *active grant*. An *active grant* is any grant that has been paid in part or in full and for which a Final Report has not been submitted. (In other words, if you are applying for a new grant and have an active grant for which you have not yet submitted a Final Report, a Progress Report is required.) **Shortly after receipt of the new application, the Foundation will send an email notification that the Progress Report form is available in your online account for completion and submission.**

Final Reports:

After the last payment has been issued, the **Final Report** form will be due no later than *fifteen (15) months* from the date of the final year's payment and **will be provided in your online account after the last payment is disbursed.** (If all funds have been disbursed and spent before the fifteen (15)-month due date, a Final Report may be submitted in advance of that date.) In the Final Report, the Grantee will verify the outcomes of the grant and will provide a complete financial accounting indicating how the grant funds were expended in accordance with this agreement.

Interim Reports:

For Strategic Multi-Year Grants (Strategic Grants with funds released in two or more years.) THIS DOES NOT APPLY TO ANY SMALL GRANTS.

- Only the first-year payment needs to be requested; subsequent payments will be released once the Interim Report is submitted and **deemed acceptable by Foundation staff**, assuming all other reporting and contingency requirements have been met. **An Interim Report form will be provided in your online account after each payment has been released.**
- For the second-year payment - the Foundation requires that the Grantee submit an **Interim Report eleven (11) months** from the date of the *first-year's* payment. Once the Interim Report has been received and **deemed acceptable by Foundation staff, second-year funds will be disbursed.**

If the Grantee has received previous grants from the Foundation, **ALL previous reporting requirements must be met before** any release of funds for a new grant.

Matching Requirement & Budget Changes

Matching Requirements

Matching Requirements:

If the grant resolution requires 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. **When a match is required, the organization must have met the full match amount before the matching portion of the grant will be released. To view a sample copy of the Matching Grant form, visit our website at www.zsr.org under "For Grantees".**

From your online account, a Matching Grant Form(s) will be provided for your completion and submission at the appropriate time. (If the grant is a multi-year grant and each year requires a match, more than one Matching Grant form will be provided in your online account.) Once the Matching Grant Form has been received and **deemed acceptable by Foundation staff**, then funds will be released. For additional info, visit www.zsr.org under "For Grantees". Grantees must comply with the matching

rules listed on the website, which may periodically be amended.

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. For example, 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 that the donor 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 eighteen (18) months from the date funds are available for release in which to meet the matching requirements unless otherwise stated in the grant resolution. (For **one-year grants** awarded November 2016, funds are available January 2017 and the match must be met before June 30, 2018. For **two-year grants** awarded November 2016, funds are available January 2017 and the first-year match must be met before June 30, 2018. Therefore, the second-year match must be met before June 30, 2019.) If the resolution states the grants is payable in July 2017, then the match must be met by December 31, 2018 on a one-year grant. Matching funds will include only those amounts secured on or after the date of the Foundation's Grant Resolution.

3. 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. If using in-kind contributions to meet a match, please contact the appropriate Program Officer prior to submitting the Matching Grant Form. In-kind contributions can only be applied to project support grants, not general operating support grants. Increasing staff time on a project is not considered to be an in-kind contribution.

4. If a grantee proposes to meet a match with a pledge of a contribution, instead of funds already received, an upload box within the **Matching Grant Form** in the grantee's online account has been provided for one of the following:

o the Board Chair of the grantee organization must upload in the Matching Grant Form a copy of the grant letter from an awarding foundation,

or

o a letter, to Z. Smith Reynolds Foundation, from the individual (source of the pledge) showing commitment to pay the pledge, must be uploaded in the Matching Grant Form,

or

o a letter stating that the pledge has been received and that the organization expects for the pledge to be paid **AND** a letter from the grantee's board chair must be uploaded in the Matching Grant Form.

5. The matching portion of a grant may not be paid incrementally unless specifically approved by staff. This means, as a general rule, that the Foundation will not pay the matching funds until the entire matching amount has been raised by the Grantee.

Budget Changes

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 grant 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 through **documents@zsr.org** at the time such changes are approved by the Grantee's 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 grant shall be reviewed and approved by Foundation staff. This approval must occur prior to release of funds to the Grantee if the modification is known to the grantee at that time.