

DIRECTORS' GRANTS PROGRAM [Discretionary Grants]

In recognition of the uncompensated service Directors provide the Foundation, and in order to extend the Foundation's grantmaking, the Board of Directors institutes this Directors' Grants Program allowing individual directors to pledge Foundation grants to qualified charitable entities. Each person who is a Director of The Kinsman Foundation on January 1 of any calendar year may commit the Foundation to make grants in an amount not exceeding \$25,000 for that calendar year, in the manner and to the extent provided in this program statement.

To initiate a Directors' Grant, a director should before October 1 of each year notify Foundation staff of his decision to pledge a Foundation grant, the organization selected, and the amount of the grant.

An eligible grantee is any organization recognized by the Internal Revenue Service as a 501(c)(3) public charity, or any other organization eligible to receive a Foundation grant which in the opinion of the Foundation Chief Executive Officer will not require the Foundation to exercise expenditure responsibility. Directors need not consider the profile of the Foundation's model grantee in selecting grantees.

Directors' Grants may be outside the interest areas identified in the Foundation's Articles of Incorporation, and shall not become a primary purpose of the Foundation. The Foundation's grant policies do not apply to these grants.

Each eligible director may pledge any number of grants in any amount totaling a maximum of \$25,000 in a calendar year. Directors should consider the administrative burden to the Foundation if considering pledging multiple small grants. The ability to pledge Directors' Grants is personal to each director, may not be transferred, and will lapse if not exercised. The maximum amount will not accumulate into another year.

Grants may be pledged only as general contributions. They will be administratively processed similar to the Foundation's small or annual grants, but using an expedited Grant Agreement requiring no application and no reporting. Grants \$10,000 and under will be processed and distributed as small grants; those over \$10,000 will be distributed in November. Exceptions to the requirements of this paragraph may be approved by the Chief Executive Officer.

No director may pledge a grant in which he has a financial interest described in the Foundation Conflicts of Interest and Standards of Ethical Conduct Policy. No grant is authorized that satisfies a personal pledge of a director, that subjects either the director or any foundation manager to a penalty for self-dealing, or that otherwise conflicts with provisions of the Internal Revenue Code and the regulations adopted by its authority. No grant is authorized to an entity to which grants are prohibited by Executive Order 13224 or by Federal law, embargoes or trade sanctions, unless a court of competent jurisdiction has adjudged such prohibitions invalid.

The Board of Directors may discontinue this program without notice, but without prejudice to grants already pledged.

This sample was generously provided by the Kinsman Foundation.