

Board Responsibilities for Discretionary Grants

Like all grants from a private foundation, the board of directors as a whole is legally responsible for approving any and all discretionary grants by trustees. In practice, the approval of these grants is often delegated to one trustee (such as the chair) or to a trusted staff person who is given responsibility for ensuring that the grantee is an eligible 501(c)(3) organization, and that there is no self-dealing or conflict of interest associated with the grant. It is particularly important to pay attention to the self-dealing rules. Due to the nature of these gifts, discretionary grants may be more prone to run afoul of self-dealing rules (regardless of the intentions of the individual trustee)." (Excerpted from *Discretionary Grants: Encouraging Participation...Or Dividing Family?* Available from the National Center for Family Philanthropy.)