

*The following samples were collected by the
National Center for Family Philanthropy in 2018.*

Sample Discretionary Grants Policies

Note: These policies vary according to the foundations' values, priorities, and cultures. For example, some allow discretionary grants to fall outside mission and guidelines, whereas others do not. Some of these foundations are large in assets, and others are smaller.

Tauck Family Foundation, Wilton, Connecticut

Discretionary Family Giving Program

In addition to its social investing strategy, focused on developing the social and emotional skills of children from low-income families in Bridgeport, Connecticut, Tauck family members have the opportunity to make discretionary grants each year from funds donated to the Foundation annually for that purpose. The Foundation does not receive applications for discretionary grants. Discretionary grants reflect the diversity of family members' personal and philanthropic interests. For more information about these or any of the Foundation's grants, please do not hesitate to contact the Foundation's Executive Director at mirellise@tauckfoundation.org.

J.M. Kaplan Fund, New York, NY

The Fund also awards discretionary grants to organizations identified by individual trustees based on their own interests and research. These discretionary grants support a wide variety of activities, including:

- art, architecture, publishing and design;
- academic institutions;
- conservation of land and buildings;
- policy analysis and discussion of civic issues; and
- human rights and social justice.

Discretionary grant proposals are by invitation only. Kindly do not submit an on-line Letter of Intent.

Greenlee Family Foundation, Denver, CO

In addition to our [funding areas](#), we also fund special projects / programs through trustee discretionary grants that may or may not fall within the foundations [funding areas](#). Proposals for these special projects are by invitation only. Unsolicited proposals are not accepted. These special projects / programs are of special interest of individual trustees and grants paid are from discretionary funds allocated to trustees.

The Elmer L. & Eleanor J. Andersen Foundation, Saint Paul, Minnesota

Trustee Directed Grants

It's the hope of the Foundation to encourage younger generations of the family to participate in the organization's grantmaking.

In anticipation of the natural changes and diversification of the Foundation's trustees over time, the Board of Directors of the Elmer L. & Eleanor J. Andersen Foundation developed a discretionary grants program to encourage participation of family members in the work of the Foundation while honoring the interests and values of the founders.

In accordance with the Foundation's general guidelines, discretionary grants are directed by family members who are trustees, to the Elmer L. & Eleanor J. Andersen Foundation's traditional program areas within their communities across the country.

Please note that unsolicited proposals for discretionary grants are not accepted. However, unsolicited proposals are accepted to the [legacy grants program](#).

Fleishhacker Foundation, San Francisco, CA

Board Discretionary Grants

Periodically board members are authorized to make discretionary grants to programs of special interest. These grants are not open to application.

The following additional samples were collected and shared by Grantmakers for Effective Organizations in 2006.

Sample Discretionary Grants Policies

Note: These policies vary according to the foundations' values, priorities, and cultures. For example, some allow discretionary grants to fall outside mission and guidelines, whereas others do not. Some of these foundations are large in assets, and others are smaller.

Our family foundation is quite small, and all trustees are family members (&/or spouses) spanning three generations. Our trustees have always rejected designated discretionary grants separate from wherever there is a guided consensus for that year's priorities (and continuation of prior commitments). The exception to this point is that our policy has long been that any member of the family (whether or not a trustee) can request an unlimited number of checks up to \$200 for any qualifying 501(c)3 or equivalent organizations (e.g. non-US). It would be hard for this group of checks to reach 15% of our total outlay, and it saves a lot of time, energy, and hurt feelings at board meetings.

In recognition of completing a 6-year term of service on our Board of Directors, a director may designate up to \$25,000 in grants. We do not have any specific restrictions other than the grant must go to a qualified 501c3 group within the community.

Trustees can make discretionary awards within the Foundation's areas of giving. Each receives an amount equal to one/ninth of an overall allocation for discretionary awards determined annually based on our projected grants budget for the coming year. Last year, for example, each was given about \$110,000 to spend. Trustees sometimes assist staff by using their funds for staff recommended projects that the overall Board would be unlikely to support. Or, staff can alert the Trustees to projects that are small in size and might be in an area of interest for one of the Trustees. Most, however, routinely support a handful of favorite organizations.

Trustees each have \$20,000 each year for discretionary grant making which does not have to fall within our funding priorities or geographic areas. The only restrictions are that the recipient organization be a 501c3 and that the grant be a minimum of \$10,000.

We budget a certain amount for each Board member for discretionary grants each year. Our Board of family members also live in various states. Each Board member has up to \$50,000 per year and yes they should be consistent with our grant making areas.

Our Directors are allowed to designate \$5,000 per year to the charity or charities of their choice. There are no limitations, other than the recipient organization has to be a Canadian registered charity. Our Foundation also matches contributions made to charities by Directors, Members and staff of the Foundation, up to a maximum of \$5,000 per person per year.

We provide \$50K of discretionary funds to our external (non family) trustees annually. One year we reduced the amount to reflect some budget reductions at the Foundation, but this is the target amount each year. We do not put restrictions on the grants of any kind other than it must be to a qualifying nonprofit 501c3 organization.

Our family foundation has a corpus of 50M. Each non-family trustee can designate \$10,000 to a nonprofit as he or she wishes.

Our foundation has an annual grantmaking budget of about \$500,000 and four family trustees. Each trustee has \$10,000 in discretionary grantmaking each year to allocate to 501(c)(3) organizations anywhere in the country. The organizations do not have to fall within the guidelines of the foundation, but do have to be approved by the board. The approval process is in place to ensure that grants are awarded to qualified charities and to activities that the board generally supports. Grants may be allocated in any amount, but none can be smaller than \$500. The discretionary grantmaking program was developed to enable trustees to direct a small percentage of the foundation's funds to organizations and activities that are of particular interest to individual trustees, each of whom lives in a different part of the country. This approach enables the board to direct the major portion of the foundation's grantmaking to more focused program areas within a narrow geographic region. The discretionary program has been in place for about ten years and works quite well.

Our Foundation has a discretionary grantmaking program where trustee-directed grants must fall within the foundation's program and geographic areas of interest.

We don't do trustee discretionary grants as we base geographic distribution of funds on need. However we have thought about honoring a departing trustee with a small operating grant to an organization of his/her choice.

Our Family Initiated Giving Program provides family members with an opportunity to recommend one \$10,000 or two \$5,000 grants, *in their home community*. (Home community is defined as the community in which a family member lives and/or works.) This program is available to all family members, over the age of twenty-one who have met the eligibility requirements listed below. Currently, 22 family adults are potentially eligible to participate in this program.

Although nonprofit organizations funded by this program do not have to be recipients of funding from the Foundation, the organization's mission should be compatible with the mission of the Foundation. The Foundation's Board of Trustees will approve these grant recommendations at the board meeting on xxx, and in accordance with established guidelines and policies. Foundation staff is available to answer any questions or provide assistance as needed.

Eligibility:

By fulfilling *at least one* eligibility item in each category, family members may participate in the program. Eligibility requirements encourage participation among family members as well as to recognize participation of family members in the on-going work of the Foundation. Participation in this grantmaking program is voluntary, and is earned.

In recognition of the value of the service that non-family directors bring to the deliberations of the Foundation, the Board of Directors approved a policy allowing each non-family director or officer to recommend up to \$25,000 in grants per year to charities of his or her choice. The total amount available to each board director was later increased to \$50,000 effective xxx.

Each outside director (an individual who is not a member of the family) shall be given the opportunity to recommend a maximum of \$50,000 in grants per calendar year to specific not-for-profit organizations of their choice. Non-staff officers may recommend up to \$25,000 in grants per calendar year. While the Foundation believes that larger grants (of \$5000 or more) can have the most impact, these funds can be directed in any amount, up to ten grants (per year) per Director or Officer. Any organizations selected to receive a director's discretionary grant must be legally eligible to receive funding from a private foundation and meet the following criteria:

- The recipient must be a charitable organization recognized under section 501(c)(3) of the Internal Revenue Service Code, and must have either a permanent or provisional tax status determination letter from the IRS;
- The grant cannot be designated for lobbying or to influence the outcome of any public election;
- The grant cannot be used for non-charitable purposes;

- The grant cannot satisfy a personal pledge made by, or applied against an obligation committed to by an individual board member;
- The director cannot receive any personal benefit as the result of the grant.

A non-family director may request distribution of such grants simply by providing a request in writing to the Executive Director, which should include: name and address of grantee organization, to whose attention any correspondence should be addressed and from whom additional organizational information can be obtained, the purpose of the grant funds to be designated, and any other relevant information. Non-family directors and non-staff officers are requested to make grant designations no later than November 15th in order for a grant to be paid during that calendar year.

All grants designated under this policy will be presented to the Board of Directors for ratification at the next scheduled meeting of the Board of Directors.