Castellano Family Foundation

Board Discretionary Grants Policy (*adopted on September 4, 2013*)

#### Background

The Castellano Family Foundation appreciates the passion that Board members have for organizations and causes that speak to their core values and beliefs. However, the special interests of each board member may not align with the current interests of the Foundation’s grant making program. In recognition of this, the Board decided that the Foundation would make available to each Board member an amount not to exceed $10,000 per year for discretionary grant making. The amount for each board member was increased to $15,000 per year (*approved by the Board on May 12, 2014*)

#### Policy

The Foundation will set aside a discretionary grant budget of $40,000 for board members to donate to charities of their choice. Any member of the Foundation Board of Directors may initiate grants to charitable organizations in accordance with these guidelines:

#### Guidelines

Discretionary grants must be consistent with the Foundation's purposes as approved by the IRS and in accordance with its Bylaws and Articles of Incorporation i.e. *general charitable and educational purposes.* Grants cannot be made for a prohibited purpose, to a non-charity, or for the financial benefit of a ‘disqualified person.’ Grants do not have to fall within the Foundation's grant making guidelines but are, nonetheless, subject to full board approval by consent or ratification.

No discretionary grant shall be made without the knowledge and approval of the Foundation's board. The board shall only consent to grants that meet the following criteria:

1. Funds must be awarded to qualified 501c3 or other tax-exempt nonprofit organizations such as schools, churches, etc.
2. Discretionary grants may not be used for any payment for which the donor receives a specific benefit in return, such as fundraising events, luncheons, galas, entertainment, acknowledgement gifts, auction items, free admission, school tuition or fees, subscription fees for publications, or other such payments in exchange for goods or services.
3. Discretionary grants will be documented on a form with the name and address of the organization, along with the amount and purpose of the grant. The form will be signed and submitted to staff for verification of the grantee’s qualified tax-exempt status and processing of the check. The requesting board member will sign the form to affirm that payment will not result in goods or services being provided to him or her.
4. Forms submitted in the interim between board meetings will be emailed to all board members so that they have the opportunity to raise a serious objection; barring any such objection, grants will be processed for payment and ratified at the next board meeting.
5. Discretionary grants will be awarded in the name of the Foundation and an award letter will be issued.