



GRANTMAKING POLICY

The Belomarkovic Charitable Foundation



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THE BELOMARKOVIC CHARITABLE FOUNDATION

Toronto ON

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1. Overview

The Belomarkovic Charitable Foundation (“The Foundation”) is a non-profit corporation (BN 74922073) incorporated under the Canada Not-For-Profit Corporation Act (“CNCA”) in 2020.

The Foundation is on the mission to promote, support and advocate for the human, civil and legal rights of vulnerable groups of people who lack the capacity for self-care and self-protection as the elderly, people nearing the end of life, and people of all ages with disabilities and mental illness.

The Foundation provides grants to registered charitable organizations and qualified donees working in the fields and programs aligned with our mission and goals.

2. Purpose

The purpose of this policy is to set out the principles, criteria and processes that govern how the Foundation makes grants and to provide a standard of grant-making practice for the Foundation.

A grant is defined as a financial award the Foundation makes from its funds to support charitable activities carried out by registered charities or charitable community groups or other bodies eligible to receive grants from a charitable foundation.

This policy (“The Grantmaking”) covers topics related to proposing and managing the Foundation grants. Those include:

- ❖ Foundation Grant-making Approach
- ❖ Type of the Grants
- ❖ Funding Restrictions
- ❖ Governance
- ❖ Use of Grant Funds
- ❖ Collaborative Grants
- ❖ Reporting
- ❖ Recordkeeping
- ❖ Changes in Grant Terms

The Foundation reserves the right to amend and/or supplement the Grantmaking at any time.

3. Foundation Grant-making Approach

The Foundation makes grants to active charitable organizations in Canada that have been listed in the CRA Charities Directorate or organizations whose activities are considered charitable by law.

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The Foundation's funds can be used only for purposes that are consistent with its status as a nonpartisan, charitable organization.

The Foundation is committed to both, ensuring that our grantmaking practices help support our grantees in achieving an impact on the work they do, and to building a true partnership with our grantees. We work closely with these organizations to craft grants that:

- ❖ Align with our mission, vision, and program strategies
- ❖ Identify outcomes that are meaningful, practical, and measurable
- ❖ Reflect the knowledge and experience we have gained through the ongoing evaluation of the impact of our grant-making
- ❖ Provide the appropriate level of funding and, often, the additional support to achieve targeted outcomes
- ❖ Set interim benchmarks to track progress and, if necessary, adapt the grant project accordingly, and
- ❖ Establish clear channels and procedures for communication between grantees and the Foundation.

4. Type of the Grants

The Foundation makes both spendable and endowment grants, some of which may also contain a matching condition. On occasion, the Foundation also awards grants for the creation or strengthening of a cash reserve. The Foundation makes payment of all grants in Canadian Dollars (CAN).

4.1 Spendable Grants

Spendable grants are to be spent according to the proposal, purpose, schedule, budget, and conditions specified in the Foundation's award letter.

4.2 Endowment Grants

Endowment grants establish institutional funds that are subject to specific spending limitations as indicated in the award letter and proposal and governed by applicable provincial and federal laws. An endowment is a long-term fund that is invested to produce an annual payout to support the charity's mission.

Endowments are funds held in trust for a charitable purpose. The charity is the trustee and its mission, or some aspect of the mission is the beneficiary. The charity and its directors have a fiduciary obligation for the funds and their use, which represents the highest standard of care. This obligation has two primary facets: ensuring funds are dedicated to the stated purpose and prudent investment of the funds.

The Foundation will only consider requests for endowment funds from a charity organization that can demonstrate the financial capacity to manage the funds on an ongoing

basis. Recipients of an endowment grant are to invest and manage the funds prudently and in perpetuity, with the income used to support the program or position designated by the Foundation. When requesting an endowment grant, an organization with a modest (under \$10 million) endowment must provide documentation (outlined in the Foundation's Grant Proposal Guidelines) that demonstrates its capacity to invest and manage endowment funds.

4.3 Matching Grants

Both spendable and endowment grants may be subject to a matching requirement. If the Foundation awards a matching grant, it will pay matching funds in installment amounts specified in the Foundation's award letter. The Foundation will issue payments upon receipt of satisfactory evidence that a match, or portion of a match as specified in the award letter, has been made. Grantees should consult the Foundation's Grant Reporting Guidance for the Foundation's requirements for providing satisfactory evidence and reporting of matching funds.

5 Funding Restrictions

The Foundation does not make grants to:

- ❖ Individuals
- ❖ Non-for-profit organizations that do not have charitable status and their activities are not charitable
- ❖ For-profit organizations
- ❖ Political organizations

or, for the following purposes:

- ❖ Research, surveys or studies
- ❖ Conferences
- ❖ General operating costs
- ❖ Deficit or debt reduction
- ❖ Retroactive expenses
- ❖ Fund-raising drives
- ❖ General Endowment funds used for carrying day-to day operation of a grantseeker

6 Governance

The Board of Directors governs the Foundation's grant-making by setting the:

- ❖ Grant-making principles which ensure that decisions are ultimately made by the Board of Directors. These principles clarify that funds received are the Foundation's asset, albeit with degrees of restriction on their use, and that, where they are involved, donors are recommending grants, not awarding them.

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- ❖ Grant-making criteria which set out the activities the Board of Directors wishes to support in furtherance of the Foundation's charitable objectives. The criteria also include activities which the Foundation does not wish to support because they do not consider them to be in line with the Foundation's purpose. The Board accepts that they will on some occasions make grants outside published criteria but that in all such cases the activity supported will be charitable in law.
- ❖ Grant-making processes which set out how decisions are reached for awarding grants from different types of funds at the Foundation.

6.3 Grant-making Principles

The Foundation grant-making principles are as follows.

- ❖ The Board of Directors has ultimate collective responsibility for all grant-making decisions in line with the Foundation's charitable purposes, mission and any restrictions agreed with donors.
- ❖ The Board reserves the right to apply conditions to any grant.
- ❖ The Board also reserves the right not to approve grants if they determine that the resulting grant would not be charitable or would conflict with the Foundation's policies or damage the Foundation's reputation.

6.4 Grant-Making Criteria

The Foundation only makes grants to such organizations where there are strong relationships in the primary area of benefit and alignment with Foundation programs and mission, and the proposal has the potential to achieve a substantial impact.

The Foundation can only make grants to support activity that is charitable in law. Organizations do not have to be registered charities to apply, but the Foundation will only make unrestricted grants to charities. Grants to other types of organizations will always be restricted for a specific charitable purpose.

Grants cannot be made retrospectively. Therefore, applicants should only apply for funding of projects that will start after or still be running after the outcome of the application has been received.

On some occasions when the award proposal is considered by the Foundation, the Foundation staff may schedule a site visit to meet with the grantee's key staff, board members, and, in some instances, its constituency to determine whether the proposal meets the Foundation's guidelines.

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The Foundation generally makes minimum grants of \$5000 while the maximum amount of grants will depend upon the Foundation's budget and the number of grants made in a particular year.

6.5 Grant-Making Process

The Foundation identifies and funds worthy projects and programs that advance our mission. The application process is by invitation only.

To ensure that Foundation's funds are used for the charitable purposes for which they have been given, the Foundation will follow this 2-step process:

6.3.1 Grant Proposal Process

Proposals to the Foundation should set forth the material terms of the grant.

All grant proposals will be subject to an initial assessment to ensure they meet the basic criteria for funding. The Foundation will review the proposal to make informed judgments about the merits of the project, its likelihood of achieving its stated goals, and the organization's capacity to carry out the project activities effectively. Grant's applicants must be prepared to provide such other information as the Board of Directors may require assisting them in their decision-making process.

The grant proposal process is divided into two stages:

- ❖ Letter of Inquiry (LoI) and
- ❖ Full Proposal (FP)

Each grant proposal process shall start with the LoI. Upon review of LoI, if the prospective grantee organization/program appears to fit with the Foundation's missions and guidelines, the grantee will be invited to submit a full proposal. A prospective grantee should be prepared to work closely with the Foundation program staff in revising and refining the proposal before it is finalized.

More information on the grant proposal/application process will be provided at that time. Invited proposals should follow the requirements outlined in the Foundation's Grant Proposal Guidelines [BCF Grant Proposal Guidelines](#).

If the program does not meet the foundation's guidelines or fit the focus areas, the Foundation will send notifications to applicants.

Grant proposals, starting with the LoI, are accepted from September 1st – October 31st each year.

Charities may submit a proposal for only one (1) award within 12 months. If an organization's grant proposal is denied, it should wait one year from the date of

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notification before reapplying. Similarly, an organization that has received a grant should expect to wait at least one year after receiving a grant before submitting another application.

In some cases, even if a project fits within the criteria and priorities of the Foundation, the Foundation may be unable to provide a grant due to the reason of more applications received than it has funds to support.

6.3.2 Grant Approval Process

The Foundation will acknowledge the Letter of Inquiry (LoI) within one month or 30 days. The Foundation will respond within two months or 60 days from the date a LoI is received, with a request for a full proposal, or declination.

The Foundation will make grant decisions by June 30th of each year. The award or denial letter will be issued within 30 days from the decision date. The Foundation's award letter will specify the terms of the grant, including the management of grants, the use of grant funds, the reporting guidance and schedule, and the need to adhere to Foundation grant-making policies.

6. Responsibilities of Successful Applicants

Funding Recipients will be required to enter into an agreement with the Foundation laying out the Terms and Conditions of the support, along with communication, accountability, and evaluation requirements.

7. Use of Grant Funds

All grant funds should be managed prudently. Grant funds must only be used for the purposes, over the timeframe, and in the manner set forth in the award letter and approved proposal. Awarded grant funds may not be expended on project costs incurred before the grant start date or, without the Foundation's prior written approval, after the grant end date. Grant funds cannot be used as collateral, to offset other financial obligations nor to meet cash-flow or general operating expenses that are unrelated to the purpose of the grant proposal as defined in the grant award letter.

6 Collaborative Grants

Foundation grants may involve work undertaken by collaborating institutions. In such cases, the Foundation typically awards grant funds to a single grantee, who is responsible under the terms of the award for reporting on the activities and expenditures of the collaborating organizations.

7 Reporting

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The Foundation requires timely and informative interim and final grant reporting. Grantees should consult the Foundation's Grant Reporting Guidance (will be submitted along with the award letter to the grantee) when preparing narrative and financial reports. Narrative and financial reports should be submitted together on or before the due dates specified in the Foundation's award letter or as modified in subsequent correspondence. The Foundation may suspend grant activities and require the return of funds for delinquent or unsatisfactory reporting and will consider reporting history in the awarding of future grants.

If the grant is payable in instalments, then payment of subsequent grant instalments may be dependent on satisfactory progress having been demonstrated and the Foundation reserve the right to withdraw the grant on receipt of unsatisfactory progress reports.

A grantee who believes that a change of grant terms is needed should correspond with Foundation staff about the proposed modification before submitting a report.

Failure to submit reports at the time may jeopardize the continuation of the Foundation's support.

8 Recordkeeping

Grantees are required to retain accounting records, detailing all receipts and expenditures, for a minimum of three (3) years following submission of the final grant report. Organizations receiving expenditure responsibility grants are required to keep records for four years. The Foundation reserves the right to conduct on- and offsite audits of records related to the use of grant funds. In cases where grantee spending is not consistent with the Foundation's award, the Foundation reserves the right to request the return of awarded funds, disallow expenditures, or take other remedial actions.

9 Changes in Grant Terms

A grantee who believes that a change of grant terms is needed should notify the Foundation and seek advance written approval to modify the grant terms.

Grant modification requests considered by the Foundation include:

- ❖ Extension of the grant period to permit additional time to complete supported activities or raise matching funds
- ❖ Reallocation of funds to permit spending in a manner different than that described in the original budget
- ❖ Rollover of funds from an older Foundation grant into a newer grant given for the same purpose, and
- ❖ Extension of a matching period.

Grantees should also promptly inform the Foundation in writing of significant changes in project staffing, organizational leadership, scheduling, or budgeting, when such changes occur during the grant period.

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The Foundation reserves the right to suspend the use of grant funds if the change is considered material to the success of the grant.