

National Standards Accreditation

Section 1a: Document Review for Legal Compliance

If you are concerned about the complexity of any of your legal documents, please contact the National Standards staff at submissions@cfstandards.org to set up a conversation about your questions or concerns.

Please attach the following documents for legal review in PDF format.

- Articles of Incorporation that are signed and dated by the appropriate corporate officer, such as the corporate secretary
 - o Attachment of the original plus any amendments
- Bylaws that are signed and dated by the appropriate corporate officer, such as the corporate secretary
 - o Date of Board Approval
 - o Attachment of most recent version of the Bylaws
- Board Resolution for National Standards Submission (see template at cfstandards.org)
 - o Attachment
- Confidentiality/Privacy Policy
 - o Date of Board Approval
 - o Attachment
- Conflicts of Interest Policy
 - o Date of Board Approval
 - o Attachment
- Grantmaking Due Diligence Policy, including expenditure responsibility
 - o Date of Board Approval
 - o Attachment
- Financial statements for the most recent 12 month period
 - o For community foundations with over \$5 million in assets, these are your audited financial statements with disclosure notes **and** management letter by an independent CPA
 - o For community foundations with assets under \$5 million, these are your financial statements with disclosure notes reviewed by an independent CPA
 - o NOTE: If your community foundation has a qualified audit because one or more of your supporting organizations' assets are not included in the audit, you must submit additional documentation to past National Standards. Please see additional information [here <HYPERLINK>](#)
 - o Date of Board Approval
 - o Attachment
- A fund agreement for each type of fund (multiple attachments)
 - o Date of Board Approval



COMMUNITY FOUNDATIONS NATIONAL STANDARDS BOARD

a supporting organization of the Council on Foundations

- Attachments
- A gift acknowledgement for each type of gift (multiple attachments)
 - Attachments
- Most recent Form 990 with signature or Form 8879 proof of signature, including all schedules and attachments, except Schedule B
 - Date of Board Approval
 - Attachment
- Gift Acceptance Policy
 - Date of Board Approval
 - Attachment
- Each type of Grant Agreement
 - Date of Board Approval
 - Attachments
- Investment Policy
 - Date of Board Approval
 - Attachment
- IRS Determination Letter (must show 170(b)(1)(a)(vi) to be compliant)
 - Attachment
- Nondiscrimination Policy
 - Date of Board Approval
 - Attachment
- Record Retention Policy
 - Date of Board Approval
 - Attachment
- Spending Policy
 - Date of Board Approval
 - Attachment
- Social Media Policy: A social media policy applies to the use of websites and applications that enable users to create and share content or to participate in social networking.
 - Date of Board Approval
 - Attachment
- Whistleblower Policy
 - Date of Board Approval
 - Attachment

Section 1b: Document Review for Legal Compliance

While your foundation is not required to undertake the following activities, if it does, please attach the legal documentation that is requested. If you are concerned about the complexity of any of your legal documents, please contact the National Standards staff at submissions@cfstandards.org to set up a conversation about your questions or concerns.

- Donor Advised Fund Guidelines or Policy that reflect the legal regulation of donor advised funds that you share with the donor
 - o Date of Board Approval
 - o Attachment
 - o Not applicable
- Donor Initiated Fundraising Policy
 - o Date adopted
 - o Attachment
 - o Not applicable
- Fiscal Sponsorship Agreement
 - o Date of Board Approval
 - o Attachment
 - o Not applicable
- Fiscal Agency Agreement
 - o Date of Board Approval
 - o Attachment
 - o Not applicable
- Scholarship Policy
 - o Date of Board Approval
 - o Attachment
 - o Not applicable

Is your community foundation aware of and does it observe any necessary protections for scholarship applicant information? Nondisclosure rules can vary from state to state. If your state requires more, you must go beyond the foundation's privacy/confidentiality policy and record retention policies.

- Yes
- No, cannot submit
- Not applicable, the foundation does not offer scholarships

If your community foundation is in trust form, please attach the documentation that is requested:

Trust Documents, if you aren't sure, check Form 990, Schedule A, Part I, Question 8

Section 1c: Document Review for Legal Compliance

Stress Test for the Board's Legal and Fiduciary Control

The National Standards Board lauds community foundations for their ability to be innovative with their business models. The following questions represent business model trends for community foundations: as a result, the review is more subjective than in other areas of the submission.

This section is not meant to determine whether your community foundation has not met National Standards just by answering the question affirmatively. However, we understand there is additional legal due diligence required with these activities.

This section may require further information or a call with the National Standards Director and legal review team so that there is a clear understanding of your work and your leadership in the field.

This area may be revised over time to reflect new trends and to understand how our field is taking a leadership role and adjusting to those trends.

12.2 Are you a named supported foundation of any Supporting Organizations?

- If Type 1, show evidence that you select their broad (CHECK 990 of supporting)
- If Type 2, show evidence of common board members (supporting orgs bylaws)
- If Type 3, show IRS filing of Type 3
- Not applicable.
- If yes to any, please provide evidence requested

12.3 Do you hold or manage any assets in a form other than a component fund? Said another way, do you manage assets that you don't own? For example do you manage assets as a broker/dealer for agency funds that came to the foundation as a transfer rather than a gift to a fund?

- Yes and we regularly review and comply with federal, state, and local law
- No
- If yes, please provide documentation supporting how your community foundation reviews legal compliance of this activity and makes decisions about how to engage in this activity

12.4 Does your foundation comply with state insurance regulations for charitable gift annuities?

- Yes
- No
- Not applicable, we do not offer charitable gift annuities

Section 2 – Review for Good Governance & Operational Excellence

Tips

- While some questions in the compliance process only require a yes or no response, your community foundation is expected to keep documentation representing how your community foundation meets each standard. Reviewers reserve the right to flag and follow up regarding answers that require further explanation.
- Attestation for answers provided in your submission comes in several forms:
 - o The Board and the CEO must pass and sign the Board resolution stating they have met National Standards
 - o The CEO must provide an electronic signature upon submission
- Data Collection – the data collection section does not influence your National Standards compliance. These are questions that help the National Standards Board better tell the community foundations story, especially when the Board is asked to discuss policy that affects foundations on the federal, state, and local levels.
-
- **Expedite Your Review: Look for Inconsistencies** - The reviewer should not see any glaring inconsistencies between this information and the information provided in your development plan. If they do, they will spend time trying to understand the inconsistencies. This will delay the review of your submission. Therefore, we encourage you to always think about the consistency of your answers across each National Standard.
- **Expedite Your Review: Give the Peer Reviewer a Map** – Providing the reviewer with specific page and paragraph references, highlighting or marking text, and providing additional assistance to find the information that addresses each question ensures the peer reviewer does not waste time or become frustrated while reviewing your submission.

Section 2a – Mission, Structure, and Governance

National Standard 1 – Meeting the Definition of a Community Foundation

A community foundation is a tax-exempt, nonprofit, autonomous, nonsectarian philanthropic institution supported by the public with the long-term goals of:

- Building permanent, component funds established by many separate donors to carry out their charitable interests;
- Supporting the broad-based charitable interests and benefitting the residents of a defined geographic area, typically no larger than a state; and
- Serving in leadership roles on important community issues.

Directions: To meet the National Standards definition of a community foundation, the community foundation must comply with the following elements. This definition is woven throughout the spirit of the National Standards compliance process and is reflected in other sections.

1.1. Did your board approve of the National Standards definition in the Board Resolution for National Standards submission?

- Yes
- No, if no cannot submit

1.2. Is your community foundation in good standing with the IRS?

- Yes
- No, if no cannot submit

1.3. Is your community foundation currently compliant with all required annual corporation and trust document filings in the state where it is incorporated and operates (if different states)?

If you are not sure, please visit the attorney general's office exempt organizations website for the states where you are incorporated and operate. You can also find information at

<http://www.nasconet.org/> and state specific information at <http://www.nasconet.org/documents/u-s-charity-offices/>.

- Yes
- No, if no cannot submit

National Standard 2 – An Independent Board that Reflects the Community

A community foundation has an independent governing body that ensures that the community foundation reflects and serves the breadth and diversity of the community.

2.1 Are all board officer positions and the minimum number of board seats filled (according to your bylaws and state’s law)?

- Yes
- No, if no cannot submit

2.2 Before selecting your board nominees, did your board discuss board composition and diversity in relation to the community’s composition and diversity?

- Yes
- No, if no cannot submit
- Attach the signed board or board level committee minutes that reflect that conversation, including a discussion of community composition data such as Census data.

National Standard 3 – Foundation Control over Component Funds

A community foundation’s governing body retains variance power by which it may modify any restriction or condition on the distribution of assets, if circumstances warrant. Further, with respect to assets held in trust, the governing body must have the power to replace any participating trustee for breach of fiduciary duty or failure to produce a reasonable rate of return of net income over a reasonable period of time.

3.1 Does your board vote every time a modification to a fund agreement is requested or necessary?

- Yes
- No, if no cannot submit

3.2 If your community foundation has assets held in trust, does your board understand that they have sole and independent power

- a) to replace any participating trustee, custodian, or agent for breach of fiduciary duty and,
 - b) to replace any participating trustee, custodian, or agent for failure to produce a reasonable return of net income over a reasonable period of time?
- Yes
 - No, if no cannot submit
 - Not applicable because our community foundation is not in trust form.

National Standard 4 – Advance the Foundation’s Mission, Strategy, and Policies

A community foundation’s governing body is responsible for the mission, strategic direction, and policies of a foundation.

4.1 Does your community foundation state its mission consistently across its marketing and communications (e.g., annual report, website, letters to donors)?

- Yes
- No, if no cannot submit

4.2 Did your board provide input, review, and approve the foundation’s strategic plan?

- Yes
- No, if no cannot submit
- Attach the Strategic Plan

4.3 Does the board annually receive updates from staff and discuss the progress of the strategic plan at board meetings?

- Yes
- No, if no cannot submit
- Attach at least one example of board minutes from the last two years that demonstrate board oversight of the strategic plan’s implementation

National Standard 5 – A Board and Staff that is Responsible for Operational Health

A community foundation's governing body ensures the financial health and sustainability of the foundation by:

- a. Ensuring adequate human and financial resources that are used solely in furtherance of the foundation's mission,
- b. Approving the foundation's budget and monitoring performance related to the budget,
- c. Ensuring sound oversight and transparency of investment and spending policies and practices, and
- d. Holding the foundation's chief executive officer (or equivalent in the case of all-volunteer foundations) accountable for the operations of the foundation.

5.1 Does each employee receive and sign an employee handbook that is kept up to date and meets the legal requirements of the state where you are incorporated?

- Yes
- No, if no cannot submit
- Not applicable

5.2 Does the organization's hiring process comply with the Americans with Disabilities Act and all laws prohibiting discrimination? For more information, visit <http://www.eeoc.gov/>.

- Yes
- No, if no cannot submit

5.3 When is the last time your foundation reviewed its insurance needs, including coverage, adequacy of policy, limits, and deductibles (e.g., directors and officers, building and content, employment practices, unemployment, liability)?

- In the last year
- In the last five years
- In the last ten years
- More than ten years

5.4 If the foundation uses outside fundraisers, does it have an audit mechanism to ensure that all collected funds are remitted to the organization (e.g., planned giving advisors, online vendors, professional fundraisers, and event planners)?

- Yes



- No, if no cannot submit
- Not applicable, we do not use outside fundraisers

5.5 Does the board approve the budget each year?

[Helpful Hint: The reviewer checks whether the budget documents reflect actual revenues and expenditures compared to the budget to date.]

- Yes
- No, if no cannot submit
- Attach the previous year's budget
- Attach the current year's budget

5.6 Does the board receive budget reports on a regular basis that include income and expense line items (detail) that properly reflect the foundation's activities and analysis of budgetary variance?

- Yes
- No, if no cannot submit

5.7 Did your foundation become aware of any significant diversions of the foundation's assets in the past two years. A significant diversion is one required to be reported on Form 990. (Form 990, Part VI, Q.5 and instructions.)?

- Yes, the reviewer will look at the Form 990 for more information
- No

5.8 Has your foundation been notified that it is under investigation by a federal or state regulator in the past two years (including an IRS Audit)?

- Yes
- No
- If yes, provide an attachment explaining the circumstances and, if applicable, the outcome

5.9 Does the community foundation have an annual performance review process for the CEO?

- Yes
- No, if no cannot submit
- Attach the performance review document (it can be a blank template or redacted copy)

5.10 Is the CEO's compensation set by the board based on the performance review and a review of a relevant salary survey?

- Yes

- No, if no cannot submit

5.11 Which of the following fringe benefits are offered to the CEO or staff?

- Private Club Membership
- Car Allowance
- Cell Phone
- Deferred Compensation or Benefits
- Relocation Costs
- Other, please specify
- None

SAMPLE

National Standard 6 – A Board that Approves and Monitors Policies and Grants

A community foundation's governing body approves and monitors policies regulating the ethical operations of the community foundation, ensures that the community foundation meets all legal requirements, and approves all grants.

6.1 Does each board member receive a board handbook that includes a job description, board level committee descriptions, foundation policies, and a current copy of the articles of incorporation and bylaws (or other governing documents with all amendments)?

- Yes
- No, if no cannot submit

6.2 Does the foundation retain board minutes in accordance with its document retention policy?

- Yes
- No, if no cannot submit

6.3 When a policy or governing document is drafted or revised, does the board approve the policy?

- Yes
- No, if no cannot submit

6.4 Does the board receive reports from each board level committee at least twice per year?

- Yes
- No, if no cannot submit

6.5 Do the board minutes reflect the Board's approval of all grants including committee, donor, and staff recommendation? In addition, does the board ratify any staff related approvals for grants, namely grants from donor advised funds and scholarship committee awards?

- Yes
- No, if no cannot submit

6.6 Does the board make decisions by teleconference or written consent (often unanimous written consent via email), and if so, is this permissible under state law and the bylaws? (If your state allows this type of voting but your bylaws do not, you cannot make decisions by teleconference or email. Please visit your state's website in their general assembly's passed legislation or the attorney general website.)

- Yes
- No, if no cannot submit



6.7 How many times did your board meet last year?

- 0 = cannot submit
- 1
- 2-4
- 5-6
- 7-12
- If your board did not meet in person at least once in the last year, was it due to a disaster or emergency?

SAMPLE

National Standard 7 – A Board that is Independent

A community foundation's governing body is not controlled by any other nonprofit foundation; by any single family, business, or governmental entity; or by any narrow group within the community it serves.

7.1 Do your bylaws state that the board is the ultimate governing body?

- Yes
- No, if no cannot submit

7.2 To meet this standard, provide written job descriptions or scope of responsibilities for board members. The peer reviewer is looking for descriptions that are more specific than generic fiduciary and officer duties.

- Attachment

7.3 Is the board chair independent of the executive director and foundation management?

- Yes
- No, if no cannot submit

7.4 Are all board members, employees, volunteers, and consultants **annually** required to review and sign a written acknowledgement of the conflicts of interest policy?

- Yes
- No, if no cannot submit

7.5 Provide one example of board or board level committee minutes that demonstrates that your community foundation has had to review a conflict of interest. If the minutes do not include a narrative of how the issue was worked through and resolved, please include a brief narrative with that information in addition to the board minutes.

- Attachment

National Standard 8 – Board and CEO Compensation

A community foundation's governing body oversees a clearly articulated process for board governance and serves without compensation (exclusive of the chief executive officer).

8.1 Do any of your board members receive compensation from the community foundation for their service as a board member exclusive of the chief executive officer? The reviewer will cross check this information against your Form 990.

- Yes, provide narrative explanation of who and why
- No
- - Attachment (only required for a yes response)

8.2 Is your CEO's compensation recorded on the Form 990? The CEO's compensation must be listed regardless of what that salary is. Here is the IRS citation for more information

[http://www.irs.gov/Charities-&-Non-Profits/Form-990-Part-VII-and-Schedule-J-Reporting-Executive-Compensation-Individuals-Included-\(Tip-%231\)](http://www.irs.gov/Charities-&-Non-Profits/Form-990-Part-VII-and-Schedule-J-Reporting-Executive-Compensation-Individuals-Included-(Tip-%231))

- Yes
- No, if no cannot submit
- No, the foundation does not have staff

National Standard 9 – A Board with Oversight and Control of Geographic Affiliates

A community foundation's governing body maintains oversight and control over geographic affiliates. A geographic affiliate is a component fund (or collection of component funds), established within or by the community foundation, serving a defined geographic region and under a common advisory group.

Expanded Definition of a Geographic Affiliate (or similarly named body)

National Standards defines a Geographic Affiliate (or similarly named body) as a component fund (or collection of component funds) established within or by the community foundation that serves a defined geographic region and is under a common advisory group. These affiliates operate under the legal control of the applicant community foundation. For example, a fund that serves a particular county in your service area with its own advisory board but whose activities are under the control of the applicant community foundation would fall under this definition. In contrast, a women's fund serving your entire service area would not meet this definition. Separately incorporated charities, including supporting foundations, are also not covered by this definition.

9.1 Does your community foundation host geographic affiliates as defined in this section?

- Yes, continue to question 9.2
- No, continue to National Standard 10

9.2 Does the chief executive officer or his/her designee of your community foundation explain the following information – verbally and in writing – to the advisory committee chair of the affiliate fund?

- a) Affiliates are organized as geographic component funds of the community foundation
 - b) As a component fund of the community foundation, the geographic affiliate is **not** independent
 - c) The host community foundation has overriding governance authority
- Yes
 - No, cannot submit

9.3 Do any representative agreements or operation policies contradict the host community foundation's control and oversight of the geographic affiliate?

- Yes, cannot submit
- No

SAMPLE

Section 2b – Resource Development

National Standard 10 – A Board and Staff Actively Developing Broad Support

A community foundation has, or is actively working to develop, broad support in the form of contributions from many separate, unrelated donors with diverse charitable interests and accepts and administers diverse gift and fund types to meet the varied philanthropic objectives of donors and the needs of the community it serves.

10.1 Does your board have a plan to develop long-term support from many separate unrelated donors that includes development of unrestricted assets that are under the discretion of the board?

- Yes
- No, cannot submit

10.2 Does the board discuss and review the asset development plan at least annually?

- Yes
- No, cannot submit

10.3 Has the foundation registered with the appropriate state and local authorities in each state in which the foundation is soliciting contributions? Click here for more information

<http://www.multistatefiling.org/>

- Yes
- No, cannot submit
- Not applicable in the states where we solicit contributions

National Standard 11 – The Board Secures Discretionary Resources

A community foundation has a long-term goal of securing discretionary resources to address the changing needs of the community it serves.

To meet the National Standards definition of a community foundation, the community foundation must comply with the following elements.

11.1 Key Element - **Soliciting Discretionary Funds** – Does your asset development plan include a long-term strategy to raise unrestricted dollars that can be used for operations and discretionary grant making?

- Yes
- No, cannot submit

National Standard 12 – The Board Demonstrates Legal and Fiduciary Control

A community foundation's governing body has legal and fiduciary control over all contributions received, adopts appropriate gift and fund acceptance policies, and makes these policies available upon request.

12.1 Does your community foundation make gift and fund acceptance policies available upon request?

- Yes, available on the website
- Yes, website states available upon request with contact information
- Yes, internal policy states available upon request
- No, cannot submit

SAMPLE

Section 2c – Stewardship and Accountability

National Standard 13 – A Board Oversees Fund Management and Financial Records

A community foundation is a steward of charitable funds, which invests and prudently manages funds and maintains accurate financial records.

13.1 Are records retained in accordance with federal and state law and the foundation's record retention policy?

- Yes
- No, cannot submit

13.2 Does the board receive interim and annual financial statements at board meetings that include a balance sheet, income statement, and cash flow statement?

- Yes
- No, cannot submit

13.3 Does the board annually receive a report on how its investments performed in relation to its investment policy?

- Yes
- No, cannot submit

13.4 Who reviews and reports investment performance to the board?

- a board committee with investment experience
- a community foundation staff member with investment experience
- the investment firm managing the funds
- a third party firm that reports back on the board's due diligence
- other, fill in the blank

National Standard 14 – The Board is Accountable and Transparent about Programs and Finances

A community foundation is accountable to the community it serves and demonstrates this accountability by regularly disseminating information on its programs, finances, investment, and spending policies.

Sample Public Disclosure Policy – *The Foundation will make available for public inspection the last three years of its tax documents, including Internal Revenue Service Forms 990 and 990-T (if applicable), any audit, and its tax exempt letter. If the request for any of these documents is made in person, the requested documents will be provided on the day of the request if possible. If the request is in writing (including email), copies will be provided within 30 days of the request. The requestor may be charged a reasonable fee for the cost of copying, plus storage. Questions concerning documents should be addressed to either the Executive Director or Board Chair of the Foundation.*

14.1 Does the foundation post its last three IRS Form 990s to its website or to Guidestar?

- Yes
- No, cannot submit

14.2 Does the foundation post its last three IRS Form 990-Ts to its website or to Guidestar or have a public disclosure statement that if they are filed they will be posted?

- Yes
- No, cannot submit

14.3 Does the foundation make public an annual summary of its activities and financial status (this could be pages of the foundation's website, an annual report, etc.)?

- Yes
- No, cannot submit

National Standard 15 – The Foundation Maintains Fund Records

A community foundation maintains a written record of the terms and conditions of each component fund and all applicable records must reference the variance power.

15.1 Do you keep a fully executed fund agreement including any addendums and meeting notes that reflect donor intent for each component fund?

- Yes
- No, cannot submit

National Standard 16 – Board and Staff Honors Donor Intent and the Law

A community foundation honors the charitable intentions of its donors, consistent with community needs, and maintains a balance between donor involvement and governing board control, in accordance with all applicable laws and regulations.

16.1 Do you keep records that are used by your community foundation to provide your staff and board with understanding of the donor's intent for each executed fund agreement or gift instrument (this can be notes or addendums in your donor file)?

- Yes
- No, cannot submit

16.2 Please select all of the ways that your community foundation demonstrates understanding of donor intent:

- Uses the National Standards recommended donor conversation checklist in every prospective or current donor conversation (see sample document)
- Periodically reviews gift agreements with living donors to determine if permitted changes are necessary such as succession planning for donor advised funds and clarifying the purpose of a fund
- Keeps records of planning conversations and donor conversations
- Maintains internal documents showing discussion of donor intent when making grants from the fund such as board minutes or the materials provided to the board for grant making ratification/voting
- Other, please explain

16.3 If your community foundation engages with third-party gift planners or fundraisers does your

foundation take the following actions?

- a. Check that the third part participant(s) are registered with the appropriate state authorities,
- b. Properly report these fundraising expenses on the foundation's Form 990, and
- c. Disclose to donors information regarding the third party relationship such as the name of the third-party and the financial benefit provided to the third-party.

- Yes
- No, cannot submit
- Not applicable, we do not engage third party gift planners or fundraisers

16.4 If you allow your donors to initiate fundraising activities, do you share your donor initiated fundraising guidelines or policy with them?

- Yes
- No, cannot submit
- Not applicable

16.5 Does the community foundation award all scholarships in compliance with the following

- a. The community foundation appoints all members of the committee by name (not by title);
 - b. The community foundation ensures that the donor, the parties related to the donor, or donor advisors do not directly or indirectly control the committee;
 - c. All grants are awarded on an objective and nondiscriminatory basis using a procedure that has been approved in advance by the board of directors of the sponsoring organization and that has been designed to ensure that all such grants meet the regulatory requirements for scholarship programs?
- Yes
 - No, cannot submit
 - Not applicable because the community foundation does not have scholarship funds

National Standard 17 – The Board Has and Makes Public the Annual Audit

A community foundation has an annual audit (or financial review, when assets total less than \$5 million) that is performed by an independent public accountant, reviewed and accepted by the governing body, and made available to the public upon request.

17.1 Does your community foundation have an audit committee?

- Yes
- No, assets above \$5 million, cannot submit
- No, assets under \$5 million

17.2 Did the Board review and accept the auditor's annual management letter and audit? If under \$5 million, did the board review and approve an independent CPA's review?

- Yes
- No, cannot submit

17.3 Is your audit available to the public (i.e. via the website or the office)?

- Yes
- No, cannot submit

Section 2d – Grantmaking

National Standard 18 – The Board Oversees Diverse Grantmaking

A community foundation operates a broad grants program to multiple grantees that is not limited by mission to a single focus or cause or exclusively to the interests of a particular constituency, and widely disseminates grant guidelines to ensure the fullest possible participation from the community it serves.

18.1 Does the foundation provide guidelines on how to access or apply for each of the foundation's competitive grant opportunities?

- Yes
- No, cannot submit

18.2 Provide evidence that the foundation provides lists of past grantees that demonstrate the diversity of your foundation's grant program.

- URL or Narrative

18.3 Are grant agreements executed with all of the foundation's grantees except for donor advised funds?

- Yes
- No, cannot submit

18.4 Does your foundation require grantees to demonstrate how grant funds were used (via site visits, grant reports, other)?

- Yes
- No, provide space for narrative on why

National Standard 19 – The Board’s Discretionary Grants Respond to Community Needs

A community foundation awards some grants from its discretionary resources through open, competitive processes that address the changing needs of the community.

19.1 Does the foundation provide public information about how the foundation’s competitive grant opportunities address the needs of the community?

- Yes
- No, cannot submit

19.2 Provide a brief narrative describing how your foundation uses grant evaluation reports to educate the board and to improve your grantmaking process.

- text box

Resources for Measuring Impact:

- Measuring Community Foundation Impact:
<https://www.michiganfoundations.org/sites/default/files/resources/CF-Measuring-Community-Foundations-Impact-NSRF-Aspen.pdf>
- Foundation Center’s Tools and Resources for Assessing Social Impact,
<http://trasi.foundationcenter.org/>

National Standard 20 – The Community Foundation Oversees Grantmaking Due Diligence

A community foundation performs due diligence to ensure that grants will be used for charitable purposes and assesses the impact of its grantmaking.

20.1 Provide a process, flowchart, or checklist for determining which grants require exercise of expenditure responsibility. These grants include donor advised funds and fiscal sponsorship arrangements. If this is detailed in your due diligence policy, please attach that as evidence. If it is a separate document, please attach the separate document. The reviewer is looking for a level of specificity that includes all of the necessary steps for expenditure responsibility, specifically:

- a. Conducting a pre-grant inquiry - including a reasonable investigation of the grantee - to ensure that the proposed activity is charitable and that the grantee is able to perform the proposed activity
 - b. Executing a written agreement with the grantee that specifies the charitable purposes of the grant, includes provisions that prohibit use of the funds for lobbying activities, and requires the grantee to return any funds not used for the designated purposes
 - c. Requiring the grantee to maintain the grant funds in a separate fund so that charitable funds are segregated from non-charitable funds
 - d. Requiring the grantee to provide regular reports on the use of the funds and the charitable activity supported by the grant
 - e. Keeping documentation about the grant with a brief description of the grant, amount, charitable purpose, and current status of the grant (Note the 990PF requires this information, however, the current and revised Form 990 for public charities do not have instructions indicating that such information should be reported on the Form, so the application of this requirement to community foundations with donor advised funds is unclear at this time)
- Attachment

Helpful Hints: Common responses that are **not** compliant:

- *We only make grants to 501(c)3s* – This language is insufficient for a policy. Both private foundations and supporting foundations are classified as 501(c)3 foundations, and grants to these foundations may require expenditure responsibility.
- *We do not make grants that require expenditure responsibility* – This language is insufficient for a policy. If the foundation does not make expenditure responsibility grants, your policy should state that you only make grants to 501(c)3 public charities classified under sections 509(a)(1) and 509(a)(2) and identify the process used by the foundation to verify a grantee’s status as one of those types.



- *Determination Letters* – Reliance on a foundation’s determination letter is insufficient as it will not necessarily indicate whether a foundation is classified under 509(a)(1) and 509(a)(2). For example, the policy should indicate whether you use GuideStar Charity Check, the IRS Select Check, or the Exempt Foundations BMF tool to verify a potential grantee’s tax status as 509(a)(1) or 509(a)(2).

Due Diligence Resources:

- Expenditure Responsibility Decision Tree:
http://www.cfstandards.org/sites/default/files/resources/COF_ERDecisionTree.pdf
- California Community Foundation Grantmaking Due Diligence:
<https://www.calfund.org/document.doc?id=147>
- Community Foundation of Western Nevada:
<http://nevadafund.org/wp-content/uploads/2013/12/Due-Diligence-policy-March-2012.pdf>
- Streamlining your Due Diligence from Project Streamline Summary:
http://www.projectstreamline.org/newsletter/fall_2012/ideas-field-streamlining-your-due-diligence
- Guide to Due Diligence from Project Streamline:
<http://www.projectstreamline.org/sites/projectstreamline.org/files/Due%20Diligence.pdf>
- Northern California Grantmakers Due Diligence Done Well: A Tool for Grantmakers from GEO:
http://docs.geofunders.org/?filename=GEO_Due-Diligence-Guide.pdf
- Southeastern Council on Foundations Due Diligence Tool from GEO:
http://www.secf.org/assets/site/Grants/due_diligence_tool_for_grant.pdf
- International Grantmaking Due Diligence:
http://www.siliconvalleycf.org/sites/default/files/svcf-international-due-diligence-fact-sheet_051613.pdf

Section 2e – Donor Relations

National Standard 21 – The Board Oversees Donor Education and Engagement

A community foundation educates and engages donors in identifying and addressing community issues and grantmaking opportunities.

21.1 Please indicate which of the following donor education opportunities your foundation has provided in the last two years?

- Planned Giving Seminar
- Individual gift planning with a third party professional
- Community Foundation Open House
- Community Foundation Information Session
- Site Visits
- Donor Reception
- Community conversation
- Other [please list]
- None (cannot submit)

21.2 Submit at least three examples of donor outreach that discuss community issues or needs and opportunities for charitable giving or grants. Samples may include solicitation letters, a convening of donors, the annual report, a video, and screenshots of webpages or other materials.

- Attachments

National Standard 22 – Foundation Provides Gift Acknowledgement and Fund Statement for Donors

A community foundation promptly and accurately acknowledges gifts and provides fund statements, at least annually, to those donors who wish to receive them.

22.1 Do all donors, including online donors, who make a gift of more than \$250 receive a gift acknowledgement that complies with the IRS guidelines for a gift receipt, including:

- a. Name of the organization
- b. Amount of the cash contribution
- c. Description but not the value of non-cash contribution
- d. Statement that the community foundation did not provide goods or services in whole or in partial consideration for any contributions' to the organization or a good faith estimate of the value of goods and services, if any, that an organization provided in return for the contribution?
- e. For donors to advised funds the specific statement that the foundation has exclusive legal control over the contributed assets.

Note: PayPal does not offer this type of receipt and does not allow editing of their receipts, so additional information is required for a gift receipt from their site and possibly from other online vendors.

- Yes
- No, cannot submit

22.2 Does your community foundation provide all fund holders who wish to receive them with fund statements at least annually? A fund statement that is available through an online portal satisfies this requirement.

- Yes
- No, cannot submit

National Standard 23 – Privacy and Confidentiality

A community foundation keeps all private information obtained with respect to donors and prospects confidential to the fullest extent possible. If a community foundation uses an online giving portal, it must ensure that it protects donor data, honors donor intent, and discloses any transaction fees.

23.1 Do all employees, board members, and committee members receive your privacy/confidentiality policy and sign off that they read and will comply with the policy?

- Yes
- No, cannot submit

23.2 Is your privacy policy, including donor privacy, posted online or publicly available?

- Yes
- No, cannot submit

SAMPLE

National Standard 24 – The Board Displays Community Leadership

A community foundation identifies and addresses community issues and opportunities. It strives to serve in leadership roles, including convening, and to assess the impact of its community leadership.

24.1 Provide a narrative and specific sections of your annual report, board minutes, indicators reports, or similar information that speak to how your community foundation identifies and responds to community issues. This example could be a grant or another activity that shows how the foundation listens and responds to the community.

Attachment

Helpful Hints

- a. The reviewers are not looking for one way that all community foundations do this work. They are looking for information that says, yes, the community foundation is aware of its community needs and it focuses resources to address those issues.
- b. Your submission should provide at least one example of your community foundation's community leadership in the last two years.
- c. Non-funding examples include participating in or leading convenings on specific topics that are important to the community, having a process for assessment of grantmaking and how that influences future grant cycles, and recording evidence of how the community foundation serves the breadth and diversity of the community.
- d. Funding examples that address community issues can range from creating an initiative; being the fiscal sponsor of a large project; focusing some discretionary or pooled funds into one project, program, or area that the community deems important (i.e. education, health, environment, emergency preparedness, emergency response, neighborhood planning, etc.); and structuring a grants program to include broad community input or voting on projects.
- e. Examples should be from the last two years.
- f. If your community foundation does not believe it meets this Standard, please speak with the Director of National Standards for clarification or provide a narrative explaining how your community foundation both meets the definition of a community foundation described in National Standard 1 **but** does not engage in these activities.

National Standard 25 – The Board Oversees Social Media and Communications

A community foundation communicates openly and transparently on a regular basis. If social media is used by employees or in foundation communications, the community foundation develops a social media policy.

25.1 Does your community foundation share foundation news and communications with the broad community regularly? Check all that apply:

- Press Releases
- Annual Report
- Website Updates
- Social Media Updates (Facebook, Twitter, etc.)
- Other, please specify
- No, cannot submit

SAMPLE

National Standard 26 – The Board Oversees Advocacy and Lobbying Activities

When involved in advocacy or lobbying activities, a community foundation ensures it is in compliance with applicable federal and state regulations.

For this section, the reviewer will look for information about how the community foundation’s staff and board discuss advocacy or lobbying activities or grantmaking that includes advocacy or lobbying efforts. For guidance, please review Alliance for Justice’s Bolder Advocacy Project materials located here:

- <http://bolderadvocacy.org/focus-on-foundations/community-foundation-resources>
- <http://bolderadvocacy.org/focus-on-foundations/rules-regulations>
- http://bolderadvocacy.org/wp-content/uploads/2012/02/Investing_in_Change.pdf

You can check your Form 990, Part IV and Schedule C to make sure you have captured your foundation’s lobbying activities. The peer reviewer may cross-check your response with your Form 990.

Remember that responding No Activity and submitting your application is equivalent to the Board and CEO attesting that advocacy and lobbying are not conducted by the community foundation and that the community foundation does not make grants to support lobbying by others.

26.1 If your community foundation engaged in lobbying in the last two years, provide board minutes where the lobbying effort is discussed by the Board.

- Attachment
- Not Applicable

26.2 If your community foundation engaged in advocacy in the last two years, provide board minutes where the lobbying effort is discussed by the Board.

- Attachment
- Not Applicable

Section 3: Data Collection

These responses will not affect your National Standards accreditation. This is data collection for the purpose of understanding how community foundations operate as a collective so that both the Community Foundation National Standards Board and the Council on Foundations best represent your foundation and the work you do – individually and as a field. These questions may change as we learn more about the field.

1. How many employees does your community foundation have?
 - a. 0
 - b. 1-4
 - c. 5-9
 - d. 10-19
 - e. 20-99
 - f. 100 or more

2. Has your board approved spending form understeer funds in the last two years?
 - a. Yes
 - b. No

3. What is your community foundation's required turnaround time for gift acknowledgements?
 - a. Less than one week
 - b. One to two weeks
 - c. Three to four weeks
 - d. One to two months
 - e. More than two months
 - f. Not applicable, the foundation does not have a policy on timing of gift acknowledgement

4. Has your community foundation been audited by the IRS, including during the community foundation audits of 2009-2012?
 - a. Yes
 - b. No

5. Does your community foundation have a policy regarding donor successors for donor advised funds?
 - a. Yes
 - b. No
 - c. Not applicable, we do not hold donor advised funds



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6. How many donor advised fund successors does your community foundation allow?
 - a. None
 - b. 1
 - c. 2
 - d. More than 2
 - e. Not applicable, we do not hold donor advised funds

7. Does your community foundation require at least one grant from donor advised funds periodically?
 - a. Every year
 - b. Every two years
 - c. Every five years
 - d. Every ten years
 - e. Other, please specify
 - f. Not applicable, we do not hold donor advised funds

8. How many donor advised funds does your community foundation have?
 - a. 0
 - b. 1-10
 - c. 11-49
 - d. 50-99
 - e. 100 or more

9. Does your board or staff communicate with each donor advisor about making a grant once a year?
 - a. Yes
 - b. No
 - c. Not applicable, we do not hold donor advised funds

10. Are any of your donor advised funds using the money in your investment pool for impact investing?
 - a. Yes
 - b. No
 - c. Not applicable, we do not hold donor advised funds

11. How are you adding value to your community besides traditional grantmaking (choose all that apply)
 - a. Impact investing
 - b. Neighborhood grant programs
 - c. Fiscal sponsorship for large projects
 - d. Public-private partnerships



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- e. Research and report writing
 - f. Advocacy
 - g. Investment Broker/Dealer for nonprofit funds
 - h. Other, please specify
 - i. None of the above
12. What types of funds does your community foundation hold? Select all that apply.
- a. Unrestricted Funds
 - b. Pass-through or Quasi-Endowed Donor Advised Funds
 - c. Endowed Donor Advised Funds
 - d. Committee Advised Funds
 - e. Scholarship Funds
 - f. Field of Interest Funds
 - g. Named Endowed Funds (including Geographic Affiliate Funds)
 - h. Designated Funds
 - i. Memorial Funds
 - j. Individually Managed Funds (donor managed investment account)
 - k. Cemetery Funds
 - l. Supporting Organizations
 - m. Disaster relief
 - n. Emergency hardship
 - o. Other, please specify
13. Please share one story of how your community foundation makes an impact in your community that National Standards and the Council on Foundations can share as we highlight accredited community foundations.
- a. Narrative
 - b. Attachment of picture or video

SAMPLE

Note to Applicant Organizations: This board resolution should be submitted with the application.

National Standards for U.S. Community Foundations Board Resolution

Resolution Regarding Compliance with National Standards for U.S. Community Foundations for _____ (applicant Community Foundation)

WHEREAS, the Council on Foundations' Community Foundations Leadership Team first adopted National Standards for U.S. Community Foundations in June 2000, the community foundation field approved the National Standards in September 2000, and the Community Foundations Leadership Team released revisions to the National Standards in March 2009 and March 2014;

WHEREAS, the applicant Community Foundation's Board of Directors has approved this application and authorized _____ to act as the primary point of contact with the Community Foundations National Standards Board;

NOW THEREFORE, BE IT RESOLVED, that the applicant Community Foundation's Board of Directors certifies that the applicant Community Foundation has:

- Approved the submission process;
- Certified that all documents and information provided in this application are true and correct;
- Authorized the above referenced individual to act as the primary point of contact; and
- Agreed to abide by the Internal Revenue Service definition as well as the National Standards definition of a Community Foundation as set forth in National Standard 1.

BE IT FURTHER RESOLVED, that a complete record of submission materials shall continue to be maintained and updated to reflect any changes and shall be made available for audit or review by the Community Foundations National Standards Board or its designee(s) upon request.

Printed Name:
Board Chair

Date