



Stanwood-Camano Area Foundation

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Connecting People Who Care with Causes That Matter

Participation Requirements for Non 501(c)(3) Nonprofit Organizations

Eligibility Requirements

The following types of nonprofit organizations are eligible to apply for community grants and participate in SC Give under this program.

501(c)(8) – Fraternal Beneficiary Societies and Associations (i.e. Stillaguamish Grange, Eagles, Sons/Daughters of Norway)

501(c)(19) – Post or Organization of Past or Present Members of the Armed Forces (i.e. American Legion)

Funds must be used for projects that directly benefit the Stanwood-Camano Community.

Because these organizations are not 501(c)(3) or public agencies, the IRS mandates a separate procedure be followed known as Expenditure Responsibility. The purpose of this ruling is to ensure that grant funds are spent solely for the purpose for which they were made. There are several requirements on the part of the Grantee that are associated with the Expenditure Responsibility requirements.

Pre-Grant Inquiry

This procedure requires a due diligence process that is designed to ensure the grant is used for a charitable purpose and that the awarding organization maintains appropriate oversight and documentation.

- Organization must provide:
- Evidence of legal status
- List of directors and officers
- Most recent financial statements (balance sheet and P&L)

Written Agreement:

Agreement must be in writing and signed by a designated officer or director.

Agreement by grantee to repay any portion of the grant not used for the purpose(s) of the grant.

Requirement to submit an annual report after the close of the Grantee's annual accounting period on how funds were spent, progress on accomplishing purpose of grant, and compliance with terms.

Maintain a record of receipts and expenditures.

Provision to not use funds for lobbying, influencing elections, regranting to individuals, or for any purpose other than charitable.

Separate Account

Grantee must maintain grant funds in a separate account dedicated for charitable purposes.

Grantee cannot commingle charitable and non-charitable funds.

Charitable funds must be shown separately in accounting records.

Grantee must maintain accounting records for at least four years after completion of the use of the grant funds and make them available to the Foundation for examination upon request.

Annual Reporting

Reports must be submitted by the Grantee with three months after the close of the Grantee's annual accounting period.

Grantee must provide reports on:

- The use of the funds,
- Compliance with the terms of the grant, and
- Progress made towards achieving the purpose of the grant.

Reports must be submitted annually until all grant funds are expended. The final report must include reporting on all expenditures, as well as progress made toward accomplishing the goals of the grant.