



GRANTMAKING DUE DILIGENCE POLICY

Socially Conscious Philanthropy

Park City Community Foundation (hereinafter the "Community Foundation") Staff reviews all prospective grant recipients to ensure that grants further the Community Foundation's charitable purposes and are consistent with its Mission and Values.

The Community Foundation will not knowingly make grants to organizations that engage in or promote violence, intimidation, harassment, threats, or other activities that are inconsistent with the Community Foundation's charitable purposes. As part of its grantmaking due diligence, Staff may review publicly available information and other appropriate resources to identify activities or affiliations that warrant further review. When concerns arise, Staff will evaluate the circumstances and may consult legal counsel as appropriate.

Decisions regarding distributions made from any fund under the Community Foundation's management are made at the sole discretion of the Community Foundation in furtherance of its charitable purposes.

Grants from Unrestricted and Field of Interest Funds

The Staff reviews all grant proposals to determine whether the application is complete, appropriately authorized, clear in purpose, and eligible under the applicable fund or program. For grants from Field of Interest Funds, the Staff will also confirm that the proposed grant is consistent with donor intent. As part of this review, the Staff will consider whether the organization engages in or promotes activities inconsistent with the Community Foundation's charitable purposes as described above.

The Staff will verify that the proposed grantee is an eligible charitable organization or governmental unit and that the proposed use of grant funds is charitable. Grants may be made to public charities described in §501(c)(3) and 509(a)(1), (a)(2), or (a)(3) of the Internal Revenue Code and to private operating foundations. The Community Foundation will not normally make grants to private non-operating foundations. Grants may also be made to units of government, including federally recognized Native American tribal governments, when the grant will be used exclusively for public purposes and as detailed in this Policy.

In evaluating a grant, the Staff may contact the prospective grantee by telephone or email, meet with the organization, conduct a site visit, interview key Staff or collaborative partners, or request additional information. As appropriate to the size and nature of the grant, Staff may also review program outcomes and objectives, financial statements, audits, Forms 990 and 990-T, project budgets, and other information relevant to the proposed grant and its potential impact on the community.

Grants to Non-Charitable Organizations

In exceptional circumstances, grants from Unrestricted or Field of Interest Funds may be made to organizations that are not recognized as public charities under §501(c)(3) of the Internal Revenue Code when the grant will be used exclusively for charitable purposes. Before approving such a grant, Staff will conduct additional due diligence.



to determine and document that the proposed activities further one or more charitable purposes and that the grant funds will be restricted to those purposes.

The Community Foundation will obtain sufficient information regarding the proposed grantee, the activities to be funded, the proposed budget, and the grantee's ability to carry out the charitable activities. The Community Foundation will enter into a written grant agreement restricting the use of the funds to the approved charitable purposes and requiring appropriate reporting regarding the use of the grant funds.

The Staff will review the required reports and other documentation to confirm that the funds were used exclusively for the approved charitable purposes. Additional monitoring, documentation, or legal review may be required depending on the nature, amount, and circumstances of the grant.

Verification of Public Charity Status

The Community Foundation will verify the charitable status of prospective grantees using reliable and current information. Verification may include the Internal Revenue Service Tax Exempt Organization Search (TEOS), current Internal Revenue Service data regarding tax-exempt organizations, the grantee's Internal Revenue Service determination letter or applicable group exemption documentation, a reputable third-party charitable-status verification service, or other documentation reasonably sufficient to establish charitable status.

For churches, houses of worship, and affiliated organizations that may not appear in Internal Revenue Service databases, the Community Foundation may use other appropriate documentation to verify charitable status. The Community Foundation will maintain appropriate documentation of its verification as part of its grantmaking records.

Verification of Units of Government

The Community Foundation may make grants to governmental units when the grant will be used exclusively for public or charitable purposes. Before making a grant to a governmental unit, the Community Foundation will reasonably verify the governmental status of the proposed grantee and maintain appropriate documentation of that verification.

For federal, state, and local governmental entities and political subdivisions, verification may be based on an official government website, governmental records, or other reliable documentation establishing the entity's governmental status. For Native American tribal governments, the Community Foundation will verify federal recognition using the current official list of federally recognized tribes maintained by the U.S. Department of the Interior, Bureau of Indian Affairs.

The Staff will also review the proposed use of the grant to confirm that the funds will be used exclusively for public or charitable purposes. If an entity's governmental status or the public or charitable nature of the proposed use is unclear, Staff will conduct additional due diligence and may consult legal counsel before approving the grant.

Designated Funds



Before establishing a Designated Fund, the Community Foundation will verify that the proposed designee is an eligible public charity or governmental unit using the verification procedures described in this Policy. Grants from Designated Funds are generally paid once each year.

Agency Endowment Funds

Before establishing an Agency Endowment Fund, the Community Foundation will verify that the organization seeking to establish the fund is an eligible public charity. If a governmental unit seeks to establish an Agency Endowment Fund, the Community Foundation will conduct appropriate due diligence and consult legal counsel, as needed, to confirm that the arrangement is permissible under applicable law. Agency grants are generally paid once each year to the organization named in the fund agreement.

Grants from Donor Advised Funds

The Community Foundation may make grants from Donor Advised Funds to eligible public charities and governmental units after completing the verification procedures described in this Policy.

The Community Foundation will not make grants from a Donor Advised Fund to individuals, including grants payable to a school, college, or university for the benefit of an individual selected by a donor, donor advisor, or related party. The Community Foundation will not make grants or similar payments, including expense reimbursements, to donors, donor advisors, or related parties; make grants for noncharitable purposes; or make grants to private non-operating foundations.

Before approving a grant from a Donor Advised Fund to a Supporting Organization described in §509(a)(3) of the Internal Revenue Code, the Community Foundation will determine whether the grant is permitted without expenditure responsibility. The Community Foundation will follow applicable provisions of the Internal Revenue Code, Treasury Regulations, and current Internal Revenue Service guidance in making this determination and will exercise expenditure responsibility when required.

The Community Foundation will not normally make grants from Donor Advised Funds that require expenditure responsibility. If the Community Foundation elects to make such a grant, it must complete the additional due diligence and expenditure responsibility procedures described below.

Expenditure Responsibility

When expenditure responsibility is required for a grant from a Donor Advised Fund, the Community Foundation will comply with all applicable requirements of the Internal Revenue Code and Treasury Regulations. It will exercise oversight sufficient to establish that the grant is used solely for charitable purposes.

Before making the grant, the Community Foundation will conduct a pre-grant inquiry concerning the proposed grantee. The inquiry will include sufficient information about the grantee's identity, history, management, activities, and practices to provide reasonable assurance that the grantee will use the funds for the specified charitable purposes.



The Community Foundation and the grantee will enter into a written grant agreement specifying the charitable purposes of the grant and containing all provisions required by applicable law. The agreement will require the grantee to use the grant funds only for the specified charitable purposes, prohibit the use of grant funds for lobbying activities, require the return of any funds not used for the designated charitable purposes, maintain appropriate financial records, and provide interim and final reports regarding the expenditure of the grant funds and the activities supported by the grant.

Staff will review the grantee's reports and monitor the grant as appropriate to confirm that the funds have been used for the approved charitable purposes. The Community Foundation will investigate any apparent misuse of grant funds and take reasonable and appropriate steps to recover or protect grant funds when necessary.

The Community Foundation will maintain records regarding the grant, including the grantee, grant amount, charitable purpose, reports received, use of grant funds, and the grant's status. It will complete any reporting required by applicable law.

Process for Determining Supporting Organization Status

Supporting Organizations receive public charity status from the Internal Revenue Service due to their relationship with another publicly supported charity or governmental unit. The Internal Revenue Code §509(a)(3) classifies Supporting Organizations as Type I, Type II, or Type III. Before approving a grant from a Donor Advised Fund to a Supporting Organization, the Community Foundation will determine the organization's classification and whether applicable law requires expenditure responsibility.

In making this determination, the Community Foundation may rely on current Internal Revenue Service information, documentation provided by the grantee, governing documents, written representations from authorized representatives, a reputable third-party verification service, or a reasoned written opinion of legal counsel, as appropriate.

When required under applicable law, the Community Foundation will also determine whether the donor, donor advisor, or related parties control the supported organization. The Community Foundation may request appropriate certifications or other documentation from the donor, donor advisor, Supporting Organization, or supported organization to make this determination.

If the Community Foundation determines that expenditure responsibility is required, the grant will either be declined or administered in accordance with the expenditure responsibility requirements described in this Policy.

Approved by the Board of Directors on 09/15/2026.