

# **Fund Distribution Policy**

## **United Way of Greater Lima, Inc.**

### **I. INTRODUCTION**

The United Way of Greater Lima (UWGL) provides a platform for individuals and businesses to contribute and combine resources for charitable giving. The United Way ensures those funds are invested into programs and initiatives that address community needs in the areas of health, education, and financial stability. UWGL has a responsibility to distribute the funds wisely, fairly, and effectively. The ability to achieve these objectives will have a direct effect on our relationships with service providers, on donors' confidence in UWGL, and on community trust in UWGL.

Each of UWGL's five investment mechanisms – Small Opportunity Grants, Community Partners Grants, Community Innovation Grants, Small Project Grants and Community Initiatives has a specific process for funding application, funding renewal, investment oversight and outcome measurement.

### **II. ELIGIBILITY TO SUBMIT A REQUEST FOR FUNDING**

Grants are made available only to nonprofit organizations that have federal tax-exempt status as a section 501(c)(3) public charity or to government agencies. The nonprofit or government agency must provide service within Allen County Ohio. No grants are made available to individuals.

If the organization is not currently recognized by the Internal Revenue Service as a 501(c)(3) tax-exempt not-for-profit, they may identify a 501(c)(3) sponsor to act as their organization's fiscal agent/sponsor. The fiscal agent/sponsor must be recognized as a publicly supported, charitable organization under section 501(c)(3) of the Internal Revenue Service Code. Churches that meet the requirements of section 501(c)(3) are automatically considered tax exempt and are not required to apply for and obtain recognition of exempt status. Therefore, churches that meet 501(c)(3) requirements can act as a fiscal agent/sponsor.

Organizations that have identified a fiscal agent/sponsor will need to provide additional documentation regarding the fiscal agent/sponsor relationship.

Organizations must comply with all regulations of the state, county and federal government pertaining to proper licensing, health and safety requirements and operation within the State of Ohio and certify they are in compliance with the USA Patriot Act and other counterterrorism laws.

### **III. FUND DISTRIBUTION REVIEW TEAMS**

1. **Community Impact Cabinet (CIC):**
  - a. A sub-committee of the UWGL Board of Directors.
  - b. Made up of members of the Board.

- c. Gives guidance to the Board of Directors in funding decisions (i.e. community impact).
- d. At least one CIC member will serve on each review panel.

2. **Community Review Panels (CRPs):**

- a. Selected by the Communication Coordinator and reports to the CIC.
- b. Made up of volunteers representing each of the three (3) Impact areas of United Way of Greater Lima in Health, Education, and Financial Stability. These volunteers are pulled from various private, government and social service fields across the Greater Lima region (Allen County).
- c. Criteria for membership – have a general understanding of the needs of the Greater Lima in the three (3) impact areas, possess a working knowledge of UWGL, and be a champion of the UWGL.
- d. Each member shall serve a three-year term in correspondence with the three-year funding cycle.
- e. Divided into three review panels: Health, Education and Financial Stability.
- f. Each panel will include a member with skills in reviewing organizational finances.
- g. Makes funding recommendations to the CIC through the panel chair.
- h. Reviews mid-year and end-of-year progress reports from funded programs.

**IV. GRANT REVIEW AND DECISION-MAKING PROCESS**

Upon receipt of the completed applications, the requests will go through a competitive grant review process by United Way of Greater Lima volunteers. The Community Impact Cabinet (CIC) and the Community Review Panels (CRPs) are comprised of United Way staff, board members, and community representatives who volunteer their time to review grant applications and make recommendations to the full Board of Directors. Every effort will be made to ensure that community diversity is appropriately reflected in the membership of the CRPs. As a steward of community dollars, United Way requires thorough evaluations of all requests received.

Community Partner applications are divided per their identified area of impact (health, education, financial stability) and assigned to the corresponding CRP. The Review Panels evaluate the applications, submit requests for additional information from the applicant where necessary. Face-to-face interviews are required. Exceptions will be reviewed and approved by the President/CEO and the CIC as necessary. When all interviews are complete and questions answered, the CRPs submit their recommendations to the CIC.

The Community Impact Cabinet reviews the Small Opportunity, Community Partner, Community Innovation, Small Project, and Community Initiatives applications, as well as the CRPs recommendations for Community Partner Grants. The CIC then submits its recommendations to the UWGL Board of Directors. **Final decisions on all grant requests rest with the United Way Board of Directors.**

To assure continued appropriate use of UWGL awards, funded programs submit semi-annual demographic/impact progress reports which are reviewed by the CRPs.

## V. FUNDING MECHANISMS

### 1. **Small Opportunity Grants**

- a. Purpose: To help individuals and families achieve self-sufficiency, many programs and partners must work together to ensure that the building blocks for a better life (health, education, financial stability) are continuously available to those in need. The Small Opportunity Grants support the essential services vital to the long-term well-being of our community.
- b. Overview:
  - 1) Funded through the UWGL reserves, as long as funding is available.
  - 2) Investments up to \$2,000 per year of grant, contingent on reporting stipulations and sustainability.
  - 3) Timeframe: Considered on the same timeline as the Community Partners Grant.
  - 4) Grants are time-limited, up to three years, if applicable.
  - 5) An application process is required.
  - 6) A renewal application is required annually.
  - 7) Semi-annual reporting required for continuation of investment.
  - 8) Investment payouts made up-front.
  - 9) Upon completion of the grant cycle, the agency may be eligible to apply for Community Partners Grant at the beginning of a three-year funding cycle.

### 2. **Community Partners Grants**

- a. Purpose: To help individuals and families achieve self-sufficiency, many programs and partners must work together to ensure that the building blocks for a better life (health, education, financial stability) are continuously available to those in need. The Community Partners Grants support the essential services vital to the long-term well-being of our community.
- b. Overview:
  - 1) Funded through the annual campaign.
  - 2) Investments generally in the amount of \$10,000 or above.
  - 3) Funds invested in three-year cycles.
  - 4) An application process is required.
  - 5) A renewal application is required annually.
  - 6) Semi-annual reporting required for continuation of investment.
  - 7) Investment payouts are made quarterly.

### 3. **Community Innovation Grants**

- a. Purpose: To provide a means of funding creative and effective programs which will support high priority underserved or unmet needs in our community. The focus of this grant is on new programs or an enhancement of existing programs developed to address emerging community needs.
- b. Overview:
  - 1) Funded through the Virginia and Jack Crouse Community Fund.
  - 2) Investments are generally no more than \$10,000.
  - 3) Timeframe: considered on the same timeline as the Community Partners Grants.
  - 4) Grants are time-limited to one year.
  - 5) An application process is required.

- 6) Annual reporting is required.
- 7) Investment payouts made up-front.

**4. Small Project Grants**

- a. Purpose: To offer a funding mechanism that is nimble and quick to respond to smaller programs, small projects, or urgent requests that surface outside the normal three-year Community Partners Grants. Not intended as a means for Community Partners to increase funding for currently funded programs.
- b. Overview:
  - 1) Funded through the annual campaign.
  - 2) Investments are generally less than \$2,500.
  - 3) Timeframe: Requests for funding are considered on a monthly basis.
  - 4) Grants are awarded one year at a time.
  - 5) An application process is required.
  - 6) Annual reporting is required.
  - 7) Investment payouts made up front.

**5. Community Initiatives**

- a. Purpose: The purpose of the Community Initiatives Grant is to offer a funding mechanism for programs or projects that are the result of UWGL’s direct collaboration with one or more community partners. The goal of such collaborations is to establish long-term programs or services to meet public needs.
- b. Overview:
  - 1) Funded through collective investment with community partners.
  - 2) Timeframe: Community Initiatives Grants are considered as the projects are developed.
  - 3) Collaborative initiatives are long-term projects.
  - 4) Agreements to invest are finalized through Memos of Understanding or Contracts.
  - 5) Reporting required as determined per MOU or contract.
  - 6) Investment payouts are made per MOU or contract.

**VI. FUNDING TIME-LINE**

**1. Small Opportunity, Community Partner, and Innovation Grants:**

- a. Funding cycle runs July 1 through June 30 annually.
- b. Jan – Feb before new cycle: Grant applications made available.
- c. March 1 before new cycle: Grant applications due.
- d. March - May before new cycle: Community Review Panels (CRPs) will review Community Partner applications (including a face-to-to face interview in year 1 at a minimum, of the three-year funding cycle) and then submit written recommendations to the Community Impact Cabinet (CIC). (NOT APPLICABLE TO INNOVATION GRANT REQUESTS.)
- e. March - May before new cycle: CIC will review applications for Innovation, Community Partner, and Small Opportunity Grants applications/CRP

recommendations, and then submit funding recommendations to the UWGL Board of Directors.

- f. April - June before new cycle: The UWGL Board of Directors shall approve final funding decisions.
  - g. June before new cycle: Award letters and Funding Agreements (FA) will be sent. The FA must be signed and returned by the agency representatives within 30 days of the date on the Award letter. Funding will not be initiated until the signed agreement is received by the UWGL office.
  - h. Payment Schedule:
    - 1) July, October, January, April of the new cycle – **Community Partner** funding will be paid in quarterly installments at a rate of one-fourth per quarter unless an alternate plan was approved by the Board of Directors.
    - 2) Up-Front – **Small Opportunity and Community Innovation** funding will be paid up-front unless an alternate plan was approved by the Board of Directors.
  - i. Renewal Applications:
    - 1) **Small Opportunity** renewal applications must be submitted on the same timeline above in subsequent years leading up to the beginning of a three-year funding cycle for Community Partner Grants.
    - 2) **Community Partner** renewal applications must be submitted on the same timeline above in years two and three of the three-year cycle. Increases in funding may be requested along with the rationale for the need for additional funds.
    - 3) **Innovation Grants** are time-limited to one year.
2. **Small Project Grants**: The Community Impact Committee will review and act upon applications for funding at their monthly meeting (first Thursday of the month). The UWGL Board of Directors will review applications and CIC recommendations at their first monthly meeting (fourth Thursday of the month) following the CIC meeting. Final decisions will be made at this meeting unless additional information is needed. An Award Letter will be sent promptly after a final Board decision. Payment of the full award amount will be made after the signed Funding Agreement is received by the UWGL office.

## VII. **REPORTING REQUIREMENTS**

The UWGL's commitment to responsible stewardship of the donors' financial investment mandates a careful accounting and oversight of the use of funds, and a demonstrated positive impact on the well-being of the community. The submitted reports are reviewed by UWGL staff and the Community Review Panels.

1. **Small Opportunity Grants**:
  - a. Feb 1 of the funding cycle: Demographic/Impact Report is due.
  - b. Aug 1 following the end of the funding cycle: Impact Report is due.
2. **Community Partners Grants**:
  - a. Feb 1 of the funding cycle: Demographic/Impact Report is due.
  - b. Aug 1 following the end of the funding cycle: Impact Report is due.

3. **Community Innovation Grants:**

- a. Aug 1 following the end of the funding cycle: Impact Report is due.

4. **Small Projects Grants:**

- a. The one-year funding cycle begins on the date on the Award letter. The Impact Report is due thirty (30) days following the end of the one-year funding cycle.

**VIII. DESIGNATIONS**

UWGL will neither encourage nor discourage donor designations to specific agencies. A donor may elect to designate their gift to a UWGL funded agency. Designations are unrestricted funds and will not be considered or shared during the funding approval process. Designations are not guaranteed and will only be distributed as collected.

**IX. FUNDING CONTINGENCIES**

Funding for the Awards is based on the annual UWGL Campaign. The amount of the award is not guaranteed for the three-year funding cycle. If the annual campaign decreases during the funding cycle, awards will decrease at a rate recommended by the CIC and approved by the UWGL Board of Directors.

Funding is contingent upon compliance with reporting, terms of the funding agreements, and any funding contingencies approved by the CIC and the UWGL Board of Directors. Funding may be reduced, held, terminated or required to be returned if it is evident a project will not achieve its objectives, if proper reports are not filed, or as a result of organizational misconduct and/or mismanagement.

**X. PROGRAM CHANGES**

Requests must be made to UWGL for programming changes 30 days prior to any proposed change implementation. The proposed changes must be approved by the Community Impact Community and the UWGL Board of Directors. A failure to report programming changes could result in the loss of funding.

*Revised 03/01/2023*

*Approved by the Board of Directors*

*March 28, 2023*

*Revised 10/12/2023*

*Approved by the Board of Directors*

*December 12, 2023*