

## **FREQUENTLY ASKED QUESTIONS CONCERNING GAR FOUNDATION ENDOWMENT GRANTS**

***What must our organization do with the grant funds?*** An endowment grant is designated specifically and solely for the support of your organization's endowment fund. If you agree to accept the endowment grant funds from GAR, you are legally required to place all of those funds in your organization's endowment fund.

***My organization is planning to set up an endowment fund, but has not yet done so. How should we proceed?*** Consult with your GAR Foundation program officer. In some instances, the Foundation requires as a grant term that you set up your endowment at the Akron Community Foundation ("ACF"), simply because that organization is equipped to manage the funds properly. In other instances, the Foundation merely prefers the establishment of the endowment at ACF. In cases where you are not required to establish an ACF endowment, you must still acknowledge to GAR, through a board resolution, that your organization will abide by the GAR Policy Governing Grants for Endowment. The board resolution form and the Policy are enclosed with your endowment award letter. They are also available on the GAR website at [www.garfoundation.org](http://www.garfoundation.org).

***We have received endowment awards from GAR in the past. Do we need to complete another board resolution?*** No. Once your organization has submitted a board resolution adopting the GAR Policy Governing Grants for Endowment, that resolution remains in effect for all future endowment awards your organization receives from GAR. This is true even in cases where you are receiving a GAR endowment grant for a different endowment fund than the one previously supported by GAR.

***My organization does not want to comply with the GAR Policy Governing Grants for Endowment. What are our options?*** You have two. You can decline the GAR endowment grant. Or you can establish a separate endowment fund for your GAR endowment dollars, which fund must comply with the GAR Foundation Policy Governing Grants for Endowment. You could, in that instance, manage your other, non-commingled, non-GAR endowment dollars in whatever manner your organization's board of trustees sees fit.

***My organization is in a severe financial crisis. Can we draw down GAR endowment funds beyond the 5% spending limit in order to resolve our crisis, then replace the funds later?*** Absolutely not. The only instance in which an organization can use endowment funds beyond the income draw allowed under the GAR Foundation endowment policy is when the organization first seeks and receives written consent from the GAR Foundation for such a course of action. Without prior written consent, your organization has violated the grant contract by drawing down on the endowment in excess of spending limits, even if you restore the funds to the endowment later. The GAR Foundation has the right to rescind the entire grant award in the event of an impermissible draw.

***What are the reporting requirements for a GAR endowment award?*** Your organization must submit an annual certification to GAR in which you (1) confirm that you have complied with the spending limitations set forth in the GAR Endowment Policy, (2) report on the amount disbursed from your GAR endowment fund in the previous fiscal year, and (3) report the endowment's fair market value at the end of the previous fiscal year. If you do not submit your annual certification, your organization cannot be considered for additional GAR grants.

***I have other questions about our endowment award. What should I do?*** Call the program officer who worked with your organization during the grant review process. That person will be able to provide additional guidance.

Revised: 8/16/07  
**#130190**