

# GRANTMAKING IN RESPONSE TO COVID-19

We have heard from affiliated funds across the NCF network that are looking to make grants from their General and Unrestricted Endowment accounts in response to the impact of the COVID-19 pandemic on their communities.

There are some important things to remember when it comes to making grants from your NCF affiliated fund:

- IRS rules prescribe that the assets of a 501(c)(3) organization such as NCF (and its affiliated funds) be used solely for charitable purposes. Broadly speaking, charitable purposes include education, public works, relief of the distressed or underprivileged, combating community deterioration, and lessening the burdens of government.
- Importantly, charitable purposes do not include expenditures that provide more than minor personal benefit to individuals. Instead, they must be of benefit to the public.

## What/whom can we make grants to?

Grants may be made to 501(c)(3) public charities (i.e., not private foundations) and governmental entities (this includes cities, villages, school districts, and public health districts) for charitable activities.

Here are some examples of grants your affiliated fund may make to address the impact of the COVID-19 outbreak on your community/region and vulnerable community members:

- To schools to assist them with technology and other needs related to remote learning
- To schools or food banks providing assistance to families whose children rely on school programs for meals
- To 501(c)(3) public charities that are addressing the immediate needs of economically vulnerable populations caused by lost work, closures, and cancellations related to COVID-19
- To 501(c)(3) public charities that are addressing the immediate needs of vulnerable elderly populations who may be at high risk due to COVID-19
- To 501(c)(3) or governmental healthcare organizations (including hospitals and public health districts) that are addressing increased demand for medical information and support, including mental health services
- To 501(c)(3) public charities or governmental entities that are addressing fear and confusion about the outbreak among the community's most vulnerable residents, including those with limited English language proficiency
- To 501(c)(3) public charities to focus on community resilience as recovery from the outbreak proceeds
- To 501(c)(3) public charities to help them maintain operations as other funding sources may decline

## If your affiliated fund is granting to a charitable organization that is providing direct assistance to individuals, the grant recipient organization:

- Must have procedures in place to determine that the individuals receiving assistance are in need of such assistance
- Must use the grant for an activity consistent with the organization's exempt purpose

*If you have any questions, do not hesitate to contact us at 402.323.7330.*

