

## GRANT POLICY

### Grant Application Process:

- How do we solicit grant applications?
  - The Foundation will solicit grants through press releases forwarded to general media.
  - The Foundation may post its grant application guidelines on the HSBA website.
  - The Foundation's Board may also identify potential applicants who further the Foundation's charitable mission and solicit a grant application.
- What is our grant cycle?
  - The grant application period will open in January of each year and end no later than June 30 of each year.
  - After the grant period ends, grant applications will be vetted, and presented to the Board for approval no later than the July board meeting and approved grantees will be notified of the approved grant.
  - The Foundation will disburse approved grant applications by July 31 of each year.
  - Historically, the HSBA Annual Dinner, the Foundation's primary funding source, is held in the late summer. Net proceeds from the dinner are usually determined within 3-4 months of the Dinner. Accordingly, the Foundation will know how much funds are available for grants by late November or December of each year.

### Selection Criteria:

- Who is eligible for a grant?
  - The Hawaii State Bar Association, a 501(c)(6) organization and the Foundation's supported organization, is eligible to receive one or more grants annually. At least one of the grants may come from the net proceeds of the annual dinner. The amount of the grant(s) may vary each year and will be determined by the Foundation's directors each year. The purpose of any grant to the HSBA is not to fund its general operations, but rather, to fund programs that further the Foundation's charitable purposes (see below).
  - Grants may be made: (1) to organizations that are recognized as tax-exempt by the Internal Revenue Service; or (2) for charitable purposes. Preference will be given to 501(c)(3) organizations.
  - The Foundation will not make grants to individuals or grants that are earmarked for specific individuals.

- What type of programs will we fund?
  - The Foundation's mission is to increase public understanding of the law, improve the justice system, and facilitate the delivery of and access to legal services promoting the highest ideals of the legal profession.
  - The Foundation will provide grants that further its mission as stated above.
- What is the approval process?
  - Grant applications will be reviewed and vetted by the Grants Committee.
  - A summary of all grant applications received will be provided to the Foundation's Board.
  - The summary will identify each applicant, describe the project/purpose for which the funds are requested, indicate each applicant's tax-exempt status and the amount requested.
  - The summary will also indicate whether the proposed funding level (if at all) for each applicant.

**Terms and Conditions of Grants:**

- Grantees must use the grant only for purposes described in the grant applications.
- Grantees must submit a final report no later than the thirteen months after the date of the award letter.
- Grantees must report any unexpended funds remaining at the end of the grant period and either request an extension or return the funds.
- Grantees must notify the Foundation immediately if they cannot perform in accordance with the terms of the grant, or materially change their mission or activities.
- The Foundation may impose additional reporting requirements (or other additional oversight) on any grantee that is not recognized as a 501(c)(3) organization by the Internal Revenue Service.

**Post-Grant Reports:**

- How do we monitor that the funds were used for the purposes stated within the application?
  - Final report (deadline: 13 months after the date of the award letter)
    - The final report must provide a written narrative report describing how the funds were used and project outcomes (e.g., how many people benefited, etc.).
    - The final report must include a detail expenditure report that shows the amount granted (or remaining funds as of the end of the previous reporting period), the amount expended (by expense line item), and any remaining funds as of the end of the reporting period.

- If there are any unexpended funds as of the end of the reporting period, the grantee must request an extension (indicating how the remaining funds will be used and the time period during which the funds will be used).
- The Grants Committee will be responsible for contacting grantees to submit delinquent reports.