

**GRANT MAKING PROCEDURES OF
THE GREATER LYNCHBURG COMMUNITY FOUNDATION (“GLCF”)
Dated August 25, 2014**

All scholarship grants from designated funds or scholarship funds made by the GLCF shall be subject to the following procedures:

1. The grants shall be for the following purposes only: (1) grants that are scholarship and fellowships that pay tuition, books, and other expenses; (2) grants that are prizes or awards made primarily in recognition of religious, charitable, scientific, educational, artistic, literary, or civic achievement and if the recipient is chosen from the general public, he or she must be selected without any action on his or her part to enter a contest or proceeding, and the recipient must not be required to provide services as a consequence of receiving the award; (3) grants to achieve a specific objective, produce a report or other similar product, or improve or enhance a literary, artistic, musical, scientific or other similar capacity, skill, or talent of the grantee.
2. The group from which the grantees are selected must be reasonably related to the purposes of the grant as indicated in the form(s) creating a designated fund or any other similar originating or guidance document. Any such form(s) or guidance documents shall be followed only to the extent the factors listed to be followed in selecting the group of potential recipients are objective and nondiscriminatory and to the extent the process of selecting the recipients is objective and nondiscriminatory. The potential recipient group must be large enough to constitute a charitable class (unless, taking into account the purposes of the grant, only a few individuals are qualified to be grantees - as in the case of scientific research).
3. The criteria used in selecting grant recipients from the potential grantees must be related to the purpose of the grant as indicated in the form(s) creating a designated fund or any other similar originating or guidance document and a consideration must be given to any specific criteria given in the form creating a designated fund or any other similar originating or guidance document however only to the extent these criteria are objective and nondiscriminatory. For example, proper criteria for selecting scholarship recipients might include (but are not limited to) the following: past academic performance, performance on tests designed to measure ability and aptitude for college work, recommendations from instructors, financial need, and the conclusions the selection committee might draw from personal interviews. For example, improper criteria for selecting scholarship recipients might include (but are not limited to) awarding scholarships based on race or preferential basis to the family members of the donor.
4. The person or persons who select recipients of grants and their related parties must not be in a position to receive a private benefit, directly or indirectly, if certain potential grantees are selected over others.
5. Nominations for the members of the Selection Committee shall be submitted to the Greater Lynchburg Community Foundation by the donor, standing Selection Committee, or any other committee appointed for that purpose in time for the Greater Lynchburg Community Foundation to appoint new members and review and approve the current members, if applicable. The Greater Lynchburg Community Foundation shall have the power to accept or reject donor's

suggestions. Before appointing each member of the Selection Committee, the Board of Directors shall be given basic information about why each individual being appointed is qualified to be on the Selection Committee. To assure that neither the donor or his or her related parties control the Selection Committee, the standing Selection Committee shall be responsible for establishing a procedure by which the prospective members are required to disclose any family or employment relationships to the donor. Each member of the Selection Committee shall have a continuing duty to supplement the information regarding her or his family or employment relationship to the donor and the relationships shall be subject to annual review by the Greater Lynchburg Community Foundation. To help you comply with these requirement attached is a Selection Committee Member Questionnaire.

6. The term of office of each Selection Committee member shall be for one (1) year. Committee members may serve an unlimited number of terms, consecutive or otherwise. The Greater Lynchburg Community Foundation shall annually review and approve the members of the Selection Committee. Neither the donor nor his or her related parties (relatives, employees, attorney) may control the Selection Committee directly or indirectly.

7. Each committee member shall serve without compensation.

8. Periodic progress reports shall be made to the Greater Lynchburg Community Foundation, at least once a year, to determine whether the grantees have performed the activities the grants are intended to finance.

9. When these reports are not made or there are other indications that the grants are not being used as intended, the Greater Lynchburg Community Foundation will investigate and take corrective action.

10. The Selection Committee shall keep all records relating to all grants to individuals, and send a copy of all records to the Greater Lynchburg Community Foundation, including, --

- a. Information obtained to evaluate grantees,
- b. Identification of grantees, including any relationship of the grantee to the foundation sufficient to make the grantee a disqualified person,
- c. amount and purpose of each grant, and
- d. follow-up information, including required annual reports and investigation of jeopardized grants.

To help you to comply with this requirement attached is a form entitled Grantee Evaluation.

11. The Selection Committee shall in all cases act as a Committee, regularly convened, and, in the transactions of business, which includes but is not limited to receiving and reviewing all requests or applications for donations or scholarships, investigating the circumstances of the request to determine whether it meets the stated purposes of the trust fund and complies with the requirements of the I.R.C. on Taxable Expenditures under § 4945 and regulations promulgated thereunder, selecting recipients for scholarships, granting scholarships, performing periodic progress reports to ascertain whether the grantees performed activities the grants were intended

to finance, reporting to the Greater Lynchburg Community Foundation when grants are not used as intended, and to keep records relating to all grants to individuals, it shall observe its compliance with the purposes of the scholarship fund or trust and any factors in selecting a recipient for a scholarship as indicated by the documents creating the scholarship fund to the extent consistent with the grant making procedures; and to administer the program in an objective and unlawfully discriminatory basis.

12. Each Committee member shall have one vote. At any meeting of the Committee the presence of at least one-half of the voting members (but in no event less than three such members) shall be necessary to constitute quorum for the transaction of business provided however that the composition of the quorum is such that the donor or the donor related parties do not constitute the majority. The act of a majority present except as otherwise provided by law or the Articles of Incorporation or by-laws of the Committee shall be the act of the Committee, provided a quorum is present.

13. Any vacancy occurring in the Selection Committee by death, resignation, removal, or otherwise may be promptly filled by submission of a prospective member nomination to the Greater Lynchburg Community Foundation for approval at a special meeting which shall be called for that purpose after the occurrence of the vacancy. The Committee members thus chosen shall hold office for the unexpired term of his or her predecessor and until the appointment of his or her successor.

14. The Selection Committee may elect its Chairman who shall conduct all meetings of the Committee, shall advise Greater Lynchburg Community Foundation, at least annually, by a written report, of whether the grantees have performed the activities the grants were intended to finance, and shall, at least annually, provide the Greater Lynchburg Community Foundation, if requested, with all records relating to all grants to individuals.