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|  Saskatoon Community Foundation | Policy: Granting Policy | Last Review Date: June 2023 |
| | Established: 2023 Assigned to: Grants Committee | Review Cycle: Every 3 Years Next Review Date: 2026 |

1. Preface

Granting builds upon the strengths and responds to the needs of the community. Granting is the core work of Saskatoon Community Foundation (SCF), and the purpose for which we build relationships and resources. As a public foundation, SCF fulfills federal regulations for community foundations by awarding grants to qualified donees as defined by the Income Tax Act of Canada. SCF’s mandate is to use income from its funds for charitable purposes within the City of Saskatoon and area.

All Saskatoon Community Foundation grants are made possible thanks to the generosity of donors. Consequently, the Foundation must always honour the intentions of donors who have directed income from their endowed funds, whether by designating recipients or leaving grant decisions to the discretion of the Foundation.

To effectively achieve positive change in the community, we must build relationships with and understand both the current and emergent work of community-based organizations (CBOs). Knowledge and partnerships enable SCF to play its role in leading change, both through strategic granting and creating opportunities for donors to engage in community action.

Saskatoon Community Foundation’s commitment to promoting equity, diversity, inclusion and social justice is integral to building these relationships and partnerships. By understanding the many ways in which many segments of the community intersect as well as the barriers faced by some segments, we can make space for diverse voices, reduce or close gaps among demographic groups, and progress toward our vision of “a vibrant community where everyone belongs.” This commitment should be reflected not only in the range of grants awarded by SCF, but also in the committee members we engage and the processes which guide their work.

Some grant funds are restricted by donors, while others are trusted to the Foundation’s robust community knowledge and diverse granting process. By aligning our granting strategy and process with our strategic plan, we can position our activities to lead change and attract the support of donors. Consequently, funds over which the Foundation has been given authority to make granting decisions are most intentionally aligned with the strategic plan, with the purpose of assisting donors making future gifts in directing those funds for optimal impact. Restricted funds, both endowed and non-endowed, are granted according to the direction of donors, whether that direction is communicated directly or through fund agreements in perpetuity.

1.1 Definitions

Grantee: an eligible recipient (qualified donee) of a grant disbursement from the Foundation.

Qualified Donee: A qualified donee is an organization that can issue official donation receipts for gifts it receives from individuals and corporations. It can also receive gifts from registered charities.

“Qualified donees” includes a number of types of organizations, but for typical granting purposes of the Foundation, refers to: registered charities, municipalities and municipal or public bodies performing a function of government in Canada.

Endowment: An endowment is a gift of money that is made to an institution or community in order

to provide it with an annual income. At SCF, endowed funds are created through gifts from donors. The income from these funds may be restricted to particular charities or purposes or unrestricted, in which case SCF is empowered to award grants from those funds.

2. Purpose of Policy

- (i) To ensure that grants made from the Foundation's endowed funds fulfill the terms of donor fund agreements and to ensure that grants from non-endowed funds are awarded as per the intentions of the donors, as well as ensuring that all granting activities comply with all pertinent legislation and align with strategic priorities of the Foundation.
- (ii) To detail both rules and strategies for grantmaking from all Foundation sources, including both endowed and non-endowed funds, and restricted and unrestricted funds. (Note that some principles apply to all grants, whereas other may apply only to specific types of grants or funds.)
- (iii) To identify the documents external to this policy, such as Terms of Reference for specific granting programs, which guide granting from various segments of Foundation resources.

3. Regulations Associated with Policy

- (i) Canada Revenue Agency states that "a public foundation generally gives more than 50% of its income annually to other qualified donees (e.g., registered charities), but it may carry out some of its own charitable activities."
- (ii) The Saskatoon Community Foundation Act, 1994, amended 2005, 2021, section 5, states that "the purposes of the Foundation are: (a) to receive money and accept gifts and donations and to invest or manage them to create a fund or funds (such as endowment and flow-through funds), and use the income derived or amounts collected for grants to qualified donees as defined in subsection 149.1(1) of the Income Tax Act (Canada), for the mental, moral and physical improvement of the inhabitants of the City of Saskatoon and area; and (b) To improve the efficiency and effectiveness of registered charities by receiving and managing, including investing, and administering, funds for these charities."
- (iii) Further, section 6(c) states that the Foundation "may at the discretion of the Board, apply the income from property of the Foundation for any purpose or object of the Foundation" and section 6(f) states that the Foundation "may enter into any agreements that, in the opinion of the Board, may be necessary, desirable or expedient to give effect to the powers, purposes or objects of the Foundation and the trusts and conditions with respect to any of the property that is at any time received or held by the Foundation."

4. Authority and Approval Process for Grant Disbursements

The Board of Directors approves policy, strategic direction and priorities for the Foundation's Community Grants Programs.

The authority and approval process for grants derives from donor fund agreements and, in the case of unrestricted and Field of Interest funds, established Terms of Reference associated with the Community Grants Programs.

5. Community Granting Programs

Saskatoon Community Foundations Community-Based Granting programs are drawn from combinations of two types of endowed funds: Unrestricted funds and Field of Interest funds.

Unrestricted Funds: Donors have delegated authority to Saskatoon Community Foundation to award grants from the income earned on these funds. Unrestricted funds are typically aggregated for use as part of the funds awarded in SCF's Community-Based granting programs (including Quality of Life grants, Vital focus grants, and Own Charitable Work grants).

Field of Interest Funds: Donors determine the Field of Interest they wish to support with grants from their funds. Gift Acceptance Policy sets parameters for the establishment of these funds.

- Grants from Field of Interest Funds are generally allocated as part of the Quality of Life and Youth Endowment Saskatoon grants programs. Because SCF provides donors with flexibility, certain funds operate in unique ways, based on their Fund Agreements.
- FOI Funds with Application Processes: Some FOI Funds from multiple donors may grow large enough or address needs of such importance to the community that in the opinion of the Board they merit individualized application processes. In such cases, a separate Terms of Reference for the Fund and Application Process will be created, approved by a motion of the Board and appended to this policy. Likewise, should the Board in future move that the fund no longer award grants via a separate application process, the Terms of Reference will be removed from this policy.

Principles:

The Saskatoon Community Foundation's grants must:

- Align with the SCF Vision Statement, Mission Statement, Guiding Principles and current Strategic Plan.
- Empower qualified donees and those they serve, while recognizing and valuing diversity within the community.
- Respond to the changing nature of the community by listening to community organizations and utilizing data to identify and prioritize areas of focus for its granting programs.

Ineligible Purposes:

SCF does not award community grant funds:

- in response to annual fundraising campaigns
- to retire debt
- retroactively to projects that have already taken place
- for sectarian, religious or political purposes
- to endowment funds
- to individuals

5.1 Vital Focus Grants

Vital Focus Grants Program is supported by 60% of unrestricted grant funds annually. **For more details, please see the Terms of Reference for the Vital Focus Grants Program.**

5.2 Quality of Life Grants

The **Quality of Life Granting Program** is supported from 30% of the available grant funds from the unrestricted endowment (the Give YXE Fund plus donor-created Unrestricted Funds), as well as grants from donor-created Field of Interest funds. **For more details, please see the Terms of Reference for the Quality of Life Grants Program.**

5.3 Own Charitable Work Grants

Grants for the Foundation’s “Own Charitable Work” (OCW) are supported by 10% of unrestricted grant funds each year. **For more details, please see the Terms of Reference for grants as SCF’s Own Charitable Work.**

5.4.0 Youth Endowment Saskatoon

The Youth Endowment Saskatoon grants program is supported by its main endowed fund, Youth Endowment Saskatoon, as well as numerous other Field of Interest funds directed to support children and youth. **For more details, please see the Terms of Reference for the Youth Endowment Saskatoon Grants Program.**

6. Grants From Endowed Restricted Funds

When awarding grants from restricted funds, SCF will endeavour to fulfill the wishes of those establishing the funds, in accordance with the Gift Acceptance Policy. All grants must be provided to qualified donees as defined by the Income Tax Act. Management administers the grants as per fund agreements or direction from donors. Generally, grants from Restricted Funds do not require recommendation or adjudication by the Grants Committee, with the exception of Field of Interest funds granted as part of the Community Grants Programs.

6.1 Designated Funds

Donors with Designated Funds recommend at the time that the fund is created which qualified donee(s) will receive grants from their funds in perpetuity. The Board of Directors delegates to

management the authority to disburse funds for grants based on fund agreements signed by donors.

6.2 Student Awards

Donors establish funds for student awards to encourage people interested in continuing their education. SCF's Student Awards Policy sets parameters for the establishment of Student Awards. The Board of Directors delegates to management the authority to disburse funds for grants based on fund agreements signed by donors.

6.3 Donor Advised Funds

Donors with Donor Advised Funds recommend which qualified donees receive grants from the fund each year. As flexibility is a key, some donors select their recipients with input from applications to the Quality of Life Granting Program, and others make decisions based on their personal preferences or knowledge of the community. The Board of Directors delegates to management the authority to disburse funds for grants based on written advice from donors. This advice can take the form of a signed donor direction form or a clearly worded email from the donor. Management may require confirmation from the donor of the CRA Business Number for any intended grant recipient.

7. Grants from Non-Endowed Funds

Donors may flow non-endowed funds through SCF to the charity of their choice following Income Tax Act regulations regarding qualified donees. The Board of Directors delegates to management the authority to disburse funds for grants based on written advice from donors. This advice can take the form of a signed donor direction form or a clearly worded email from the donor. Management may require confirmation from the donor of the CRA Business Number for any intended grant recipient.

7.1 Flow-Through Accounts

Flow-Through Accounts are non-endowed funds that can be directed and granted in full by donors at any time. The Board of Directors delegates to management the authority to disburse funds for grants based on written advice from donors. This advice can take the form of a signed donor direction form or a clearly worded email from the donor. Management may require confirmation from the donor of the CRA Business Number for any intended grant recipient.

7.2 Donor Advised Spendable Funds (DASF)

DASF funds are non-endowed governed by donor agreements. They can be granted upon the direction of donors according to the terms of the fund agreement. The Board of Directors delegates to management the authority to disburse funds for grants based on written advice from donors. This advice can take the form of a signed donor direction form or a clearly worded email from the donor. Management may require confirmation from the donor of the CRA Business Number for any intended grant recipient.

8. Donor Directed Granting Programs

Donor directed granting programs may take many forms. They may be one-time programs, multi-year or ongoing. They may request the participation of members of Foundation staff or Grants Committee. Grants funds may pass through the Foundation or reside with the partner. Each program will be administered per the terms of the MOU or agreement governing the program. In cases where grant funds pass through the Foundation, grants will be awarded in accordance with relevant legislation governing community foundations.

8.1 Corporate Granting Programs

Corporate partners, including Cameco, Macro Properties and Nutrien, have created agreements to grant in via the Foundation.

8.2 Government Granting Programs

From time to time, governments may create agreements to grant via the Foundation.

8.3 Foundation Partnerships

Other foundations may make agreements to grant via the Foundation. Examples have included federal funds flowing through Community Foundations of Canada and granting services offered to private foundations such as the Stephen and Michelene Worobetz Foundation.

9. Other Granting Programs

From time to time, Saskatoon Community Foundation management may at its discretion create other granting programs to support granting from donor funds. Some may be governed by agreements, such as the Bishop James P. Mahoney Institute of the Family. In some cases, gifts may be given with some direction which precludes them being part of the Community Grants Programs. Management may at its discretion create an application process if this is deemed to best fulfill due diligence and the intentions of the donor regarding the funds.