

Foundation Grantmaking Process

The Irving and Phyllis Millstein Foundation for Animal Welfare® has developed a detailed and systematic process for grant candidate selection, grant application processing, and for reviewing IRS-required grant documentation. Potential grantee recipients are found through research into local animal welfare organizations, through reference to local media, or by personal referrals. Prior to initial contact by the Foundation, it researches a prospective grantee's mission, operations, catchment area, and the community programs it has performed, together with verifying its 501(c)(3) status. These efforts are directed to areas of known need for charitable intervention, both for animal welfare and animal owner support.

Site Visits: If minimal qualifications are established, a prospective grantee organization is contacted, and a site visit arranged to examine the candidate's facilities. There, the candidate's needs, and potential grant prospects are discussed. Site visits are documented with photographs and detailed notes, which are centrally archived to allow access and review by Members of the Foundation Advisory Committee, when considering the nature and possible extent of funding a grant.

Proposals: After due consideration by the Foundation, an organization may be invited to submit a proposal addressing one or more of the needs identified during the site visit. To assist in the proposal process, an information packet describing grant proposal requirements and guidelines is provided to the potential applicant. If a proposal is received it is then evaluated by the Foundation.

Proposal Evaluation: Evaluation of the grant proposal starts with a thorough examination of the issues and needs described in the proposal. Qualitative and quantitative assessments are made. Claims for financial need are examined through cost analysis, through benchmarking to local comparable resources and costs if available, and through consultation with subject matter experts when appropriate. Information gathered at the site visits and from supporting documents provided by candidates are used. Often, additional documentation, face-to-face meetings, and revised submissions are required before the application can be fully processed and a determination for funding is made.

Foundation Grant Documentation: Evaluation of the grant proposal is then documented through a protocol created by the Foundation called the *Consideration Memo*. This document requires an exposition of all the relevant information needed to present the proposal's essential elements, an analysis confirming the needs and the costs to remedy those needs, as well as any additional documentation or information that will aid in a decision whether to recommend funding. Thus, the consideration itself will ensure that the granted funds will adequately address the grantee's needs, as well as align with the values and mission of the Foundation. Based on the *Consideration Memo* the grant proposal is then either approved, modified, or rejected.

Funding Review: If the grant request is approved, a written grant agreement describing the conditions of the grant is developed by a Foundation Officer.

Grant Award Processing: The Foundation's grant agreement shows the amount of the grant, prescribes the uses required to be made of the granted funds, and the manner through which such uses must be periodically reported to the Foundation. Grant agreements are executed by designated Officers of the Foundation.

Award and Control of Granted Funds: The Foundation exercises its fiduciary responsibility through required *Milestone Reports* provided to be periodically rendered by the grantee. Each grant agreement sets forth a schedule of quarterly "Milestone" dates by which the Grantee is required to periodically substantiate and provide written documentation of both quarterly and cumulative expenditure of granted funds, and to show the amount of remaining granted funds.

If the entire grant has been used, the Grantee is required to file a *Terminal Milestone Report* verifying that the terms of the grant agreement and the purpose of the grant have been fulfilled. If the purpose of the grant has been fulfilled without fully spending the grant, the grant period usually can be extended for up to one year, or the Grantee must return the remaining funds.

A final Foundation determination of the adherence to the grant agreement by the Grantee is established after a thorough examination of the Milestone Reports and an inspection of the Grantee's books and records, if needed.

**THE IRVING AND PHYLLIS MILLSTEIN
FOUNDATION FOR ANIMAL WELFARE**
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