

# **BARRINGTON AREA COMMUNITY FOUNDATION**

## **Due Diligence Policy**

(Adopted October 29, 2007, and amended November 3, 2008)

Due diligence as a legal concept imposes the requirement on a person or organization to ensure the accuracy and dependability to the extent possible by planned and exhaustive examination of all pertinent data and information presented or discovered in any given situation.

Due diligence for the Barrington Area Community Foundation at the present time will be established and maintained as follows:

1. In reviewing the accuracy and support of data presented in a grant request to the Grant Review Committee.
2. In determining through the Grant Review Committee that all grants are made to duly certified and recognized charities or organizations with IRS notification as a 501 (c) 3 that is valid. This will include specific examination of the grantee's status should the grant be from a donor-advised fund to ensure that the grant request is not a prohibited grant.
3. In ascertaining through an instrument signed by an officer of a grantee to the Director assigned to audit grant compliance and expenditure responsibility on behalf of the Foundation to ensure that all funds granted have been expended for the charitable purpose for which they were approved and granted or that any funds not so expended be returned. This audit must be presented to the Board annually and spread on the minutes.
4. In presenting information that is accurate and reliable in any form of communication.
5. In assuring that all solicitations, all funds received and all grants are made and applied consistent with our mission of addressing unmet needs in the community.
6. In reviewing quarterly the assets of the Foundation by the Investment Committee to determine that investment allocations meet the Investment Policy, are rebalanced as needed and that actions taken are reported regularly to the full Board. Further, the Investment Committee will recommend any changes to allocations but will not make changes until an amendment to the Investment Policy has been approved by the Board.
7. In remaining current on all legislation, IRS regulations, and other requirements of a community foundation and reporting these and any changes to the Board for necessary action. This specifically includes recent changes in the Pension Protection Act of 2006.
8. In informing the public and donors to the Foundation on actions and activities of the Foundation in letters, newsletters, news releases and on the website and by making the annual audit and Form 990 reports (including Form 990-T if filed) available through the website and for viewing on request in the Foundation office.