

OPERATIONS

FUND ADVISOR TOOLKIT

Northwest Minnesota Foundation



Instructions for Disbursements from Your Fund

There are two ways to receive money from your fund: a grant or a reimbursement. Each has its own form that must be submitted by the fund advisory committee. The information below will assist you with determining the proper form. For help, please give us a call at 218-759-2057. We are happy to assist you!

Who is the Advisory Committee for the Fund?

The authorized fund advisory committee per the fund agreement must make the request. They must also have read and signed the Code of Conduct agreement.

*(In the case of a community fund or one of its subfunds, the Community Fund Advisory Committee must recommend the distribution, **unless** the agreement has designated another advisory committee. For example, the Roseau Friends of the Library is a subfund of the Roseau Area Community Fund. The agreement states that the Roseau Area Friends of the Library Board is the designee. Therefore, the Friends of the Library can make the recommendation. It is expected that the subfund advisory committee will keep the lead Fund advisory committee informed of any distributions.)*

1. Grant Requests

A grant request is submitted to access the annual distribution on endowed earnings. Annual distributions are transferred on July 1 each year to the fund's spendable account from endowment earnings. The amount available is reported in the **Net Assets – General Spendable** section of the Web Portal Fund Statement.

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What forms do I need?

Two forms are required to make a grant request.

- 1) Grant Application or Proposal for Funding (use only if your fund is asking for proposal/applications and awarding grants to another nonprofit or agency)
- 2) Grant Recommendation Form (attach your board or committee minutes showing action to recommend the grant)

Grants can only be awarded to a 501(c)(3) nonprofit or to a public entity (i.e. city, county, or school district) that has completed a Grant Application or Proposal for Funding or agreed to be fiscal agent for the grant. For-profit companies or individuals cannot receive grant payments. The recommendation for funding is made by the fund advisory committee. **The minimum dollar amount for a grant is \$500.**

2. Payment Request Form

A Payment Request Form is needed to receive reimbursement for fund related expenses or to access money reserved for a Special Project.

Fund Related Expenses

A Payment Request Form is used to pay a bill or reimburse a committee member for expenses associated with operating the fund. In most cases, mission related expenses and development support are disbursed from the money available in **Net Assets – General Spendable** reducing the amount for grantmaking.

EXCEPTION for Community Funds: Some community fund committees have raised money specifically to cover development related expenses so as not to reduce the funds available for grants. If your fund has this account item, it will show up on Web Portal Fund Statement as **Net Assets-Development Support**

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Special Project Payout

Occasionally, a fund will raise money for a special project. Any donations made specifically for this project are posted on your Web Portal Fund Statement under **Net Assets – Special Projects**.

When you are ready to start paying for the project, the fund advisory committee fills out a Payment Request Form. Please code the expense to Special Project Expense and include supporting documents i.e. receipts, budget, etc.

****IMPORTANT NOTE:**

Please keep NMF informed of any changes to your advisory committee membership. It is necessary for all members to have completed a Code of Conduct agreement that is kept on file at NMF. Without this document, members are not to access the Web Portal or participate in official advisory committee actions. Also, please let us know when someone leaves the committee. Contact your Philanthropy Officer if you need help with this task.

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