

# **MOUNT ATHOS FOUNDATION OF AMERICA, INC. INTERNATIONAL GRANT POLICY**

Mount Athos Foundation of America, Inc. (the “Foundation”) is committed to supporting qualified charitable programs in the United States and throughout the world whose work serves to advance the Foundation’s own charitable purposes. As an American public charity classified under the Internal Revenue Code (“Code”) section 501(c)(3) the Foundation is required to follow established U.S. Treasury Department rules and guidelines when making charitable donations outside of the United States. These rules require the Foundation to exert due diligence to determine that the grant will advance the Foundation’s charitable purposes and also require the Foundation to comply with various sanctions and best practices designed to prevent grants from being used to fund terrorism.

To comply with these rules, the Foundation has established the following policies and procedures for making grants to organizations and individuals outside of the United States:

## **I. Expenditure Responsibility**

- A. The Foundation’s Board of Directors shall have personal knowledge of the grantee’s work and its organizational structure.
- B. Before a grant is made, the Foundation must receive a completed and signed Grant Application Form. (English translation required.) *[see RWA comments in the Scholarship Policy document.]*

The Foundation shall conduct a pre-grant inquiry to obtain or confirm existing information which the Foundation may have concerning the proposed grantee’s identity (including the proposed grantee’s English name, language of origin name, and any abbreviation or other name used to identify the grantee), contact information, activities, practices, purposes, projects, programs, goals, history, locations where the grantee has a physical presence, and experience (if any) of the grantee and its managers, so that the Foundation can be reasonably assured that the grantee exclusively will use the proposed grant for purposes allowable under Internal Revenue Code section 501(c)(3). The scope of the inquiry may vary from grantee to grantee depending on the size and purpose of the grant, the period over which it is to be paid, and the prior experience the Foundation may have in regard to the capacity of the grantee to use the grant for proper purposes. For example, if the grantee has used prior grants properly in the past, and filed with the Foundation all required reports substantiating such use, no additional pre-grant inquiry ordinarily will be necessary in regard to a future grant to the same grantee.

As part of its “due diligence,” and to reduce the possibility that grants will be diverted to fund terrorism, the Foundation may require copies of the proposed

grantee's registration or other organizational documents, financial statements, tax returns, if any, copies of annual government filings, and information, if available, concerning the grantee's sources of income, governing body and key employees, the identity and qualifications of the individuals who will administer the grant on behalf of the grantee, and contact information concerning individuals and organizations to which the grantee currently provides or proposes to provide funding, services or material support.

The grantee must provide a written narrative concerning its previous activities and achievements. If available, newsletters, brochures, or other printed materials are acceptable.

- C. The Foundation reserves the right to refuse to approve any grantee if insufficient information about the grantee, those in leadership positions or the proposed use of donated funds is not provided. Approval of the grantee is solely at the discretion of the Foundation's Board of Directors and may be revoked at any time.
- D. After the Foundation preliminarily approves a grant to a grantee, the Foundation must enter into a written agreement with the grantee that specifies in detail the charitable purposes of the grant. Additionally, the grantee must agree:
  - 1) To repay any portion of the amount granted which is not used for the purposes of the grant;
  - 2) To submit full and complete quarterly written reports to the Foundation on the manner in which the funds are spent and the progress made in accomplishing the purposes of the grant;
  - 3) To maintain records of receipts and expenditures and make its books and records available to the Foundation at reasonable times; and
  - 4) Not to use any portion of the grant: i) to carry on propaganda or otherwise attempt to influence any national or local legislation; ii) to influence the outcome of any specific public election or carry on, directly or indirectly, any voter registration drive; or iii) to undertake any activity for any purpose other than one or more religious, charitable, scientific, literary or educational purposes.

All grant agreements, reports and other significant correspondence between the Foundation and the grantee must be in English. All grants will be disbursed by U.S. check or electronic funds transfer and must be sent or made payable to the grantee. No cash transfers will occur. In certain instances, any applicable fee shall be paid by the grantee.

- E. If a grant is to be funded over a period of years, at the Foundation's discretion, and as provided in the grant agreement, additional funding of the grant will not occur until all

required, prior grant reporting, documentation, and grantee updates, and other information have been provided to the Foundation.

- F. As soon as practicable after the grant is disbursed, a representative of the grantee must provide to the Foundation written confirmation of receipt of the grant in English.
- G. Grants are strictly for the use of the approved grantee and for the approved charitable purposes of the grant. The grantee may not act as a conduit and re-grant all or any portion of the grant to any individual or third party organization.

After the grant has been spent, a representative of the grantee must provide the Foundation a final expense report in English itemizing how the funds were used and, if requested by the Foundation, provide to the Foundation copies of all expense documentation (receipts, time-sheets, etc.) in English.

- H. If requested by the Foundation, the grantee must maintain the grant in a separate account and adhere to best accounting practices.

## **II. U.S. Treasury Department's Anti-Terrorism Best Practices**

- A. The Office of Foreign Assets Control (OFAC), a division of the U.S. Department of the Treasury, administers economic and trade sanctions against targeted foreign countries, regimes, groups, individuals, etc. that engage in terrorism and other activities that threaten national security.

The Foundation will assess the risk of an international grant being diverted to fund terrorism, particularly when the proposed grantee is not a well-known, established charity. Before any foreign grant is made and to reduce the possibility of such a diversion, the Foundation conducts reasonable searches of publicly available information to determine whether the proposed grantee is suspected of activity relating to terrorism, such as terrorist financing or other support. This search includes a review of the OFAC list of targeted countries, individuals and organizations owned or controlled by, or acting on behalf of or associated with, targeted countries, individuals and organizations. The assets of these entities, known collectively as "Specially Designated Nationals," (SDNs), are blocked and United States persons generally are prohibited from sending money to or otherwise dealing with them.

The Foundation checks the current listings on the following OFAC website to ensure that neither the proposed grantee, nor individuals associated with the proposed grantee, appear on the OFAC list as SDNs.

<https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>

- B. The Foundation will obtain, if reasonably available, information concerning the name, nationality, country of origin, citizenship, etc. of officers, directors and other governing board members, senior management and key employees of the grantee and determine whether these individuals are subject to OFAC sanctions or whether they are reasonably suspected of activity relating to terrorism, including terrorist financing or other support.
  
- C. The Foundation requires all grantees to certify they do not deal with any individuals, entities, or groups subject to OFAC sanctions or any other persons known to the grantees to support terrorism or to have violated OFAC sanctions.