

International Grant Policy

United Charitable is committed to supporting qualified charitable programs in the United States and throughout the world. As an Internal Revenue Code (Code) section 501(c)(3) public charity, United Charitable is required to follow established US Treasury Department rules and guidelines when making charitable donations outside of the US. These rules require United Charitable to exert due diligence to determine that the grant will advance United Charitable's charitable purposes and also require United Charitable to comply with various sanctions and best practices designed to prevent grants from being used to fund terrorism.

To comply with these rules, United Charitable has established the following policies and procedures for making grants to a charitable organization outside of the US("grantee")¹:

I. Expenditure Responsibility

1. The United Charitable Program Manager must be a US citizen and must have personal knowledge of the grantee's work and its leaders.
2. Before a grant is made, United Charitable must receive a completed and signed [International Charity Approval Form](#). (English translation required.)

United Charitable must conduct a pre-grant inquiry to obtain or confirm existing information which United Charitable 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, identity of the persons who formed the grantee, and experience (if any) of the grantee and its managers, so that United Charitable can be reasonably assured that the grantee exclusively will use the proposed grant for proper Code section 501(c)(3) purposes. 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 United Charitable 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 United Charitable 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, United Charitable requires copies of the proposed grantee's registration or other organizational documents, financial statements, tax returns, if any, copies of annual government

¹ Grants may only be made to organizations, not individuals.

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. Newsletters, brochures, or other printed materials are acceptable.

All required information set forth above shall be provided in English.

3. United Charitable 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 United Charitable's Board of Directors and may be revoked at any time.
4. After United Charitable preliminarily approves a grant to a grantee, United Charitable must enter into a written agreement with the grantee that specifies in detail the charitable purposes of the grant. Additionally, the grantee must agree:
 - a) to repay any portion of the amount granted which is not used for the purposes of the grant;
 - b) to submit full and complete annual reports to United Charitable on the manner in which the funds are spent and the progress made in accomplishing the purposes of the grant;
 - c) to maintain records of receipts and expenditures and make its books and records available to United Charitable at reasonable times; and
 - d) not to use any portion of the grant: i) to carry on propaganda or otherwise attempt to influence 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 United Charitable and the grantee must be in English. All grants will be disbursed by US check or electronic funds transfer and must be sent or made payable to the grantee. No cash transfers will occur and no funds will be sent to an individual. Any applicable fee applies.

5. If a grant is to be funded over a period of years, at United Charitable'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 United Charitable.
6. As soon as practicable after the grant is disbursed, a representative of the grantee must provide to United Charitable written confirmation of receipt of the grant in English. Please use the International Donation Confirmation Response Form from our website.
7. 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 United Charitable an expense report in English itemizing how the funds were used and provide to United Charitable copies of all expense documentation (receipts, time-sheets, etc.) in English.

8. 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

1. 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.

United Charitable 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, United Charitable 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 U.S. persons generally are prohibited from sending money to or otherwise dealing with them.

United Charitable 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.

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

Also, the Excluded Parties List System, which can be found at www.epls.gov, is reviewed for additional information on individuals and entities appearing on the OFAC list.

2. United Charitable will obtain, if reasonably available, information concerning the name, nationality, country of origin, and 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.
3. United Charitable 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.