

# MCINERNY FOUNDATION

*Bank of Hawaii, Trustee*

## Grant Application Information for General Operating Support

### **I. Purpose**

The founders, William, James and Ella McNerny, arranged for practically their entire estates to pass to the McNerny Foundation in order to promote the welfare of the people of the Hawaiian Islands. Under the terms of the deed of trust creating the foundation, the income was to be used exclusively for charitable, educational purposes, or for the prevention of cruelty to children or animals. Use of this income was intended to be flexible, to cover changing conditions, and to best serve the charitable requirements of the people of Hawaii.

The trust document specifically excludes support to churches and organizations which proselytize, encourage theology, sectarianism, spiritualism, religion or any system of religious worship. The founders, in specifying these exclusions, did not do so with the intention of showing anything but the kindest of feelings and the best of good wishes toward continued and successful growth/accomplishment of the aims and purposes of any such worthy organizations, but sincerely believed that the uses and purposes are of such a nature that their aims and ends are better served if they are supported largely by the persons taking part in their work.

### **II. General Information**

McNerny Foundation grants are given to organizations benefiting the people of Hawaii. Organizations must be exempt from federal taxes under Section 501(c)(3) of the Internal Revenue Code and be classified as a public charity. The Foundation does not give grants or scholarships to individuals, nor does it provide grants for deficit funding or endowments, or to organizations that “re-grant” McNerny Foundation funds.

Program and Project grants are awarded in six major fields: arts and culture, community, education, environment, health and rehabilitation, and human services.

Generally, the Foundation prefers to be one of several contributors to an activity, expecting the applicant to acquire needed funds from several sources to assure the continuation of the activity in the future.

The Distribution Committee will accept only one request a year from an organization. A new request will not be accepted if a prior pledge or report is still outstanding. The exception to this policy is a tuition aid program (separate guidelines available) which may be considered in addition to one other request from a school.

**NOTE: General Operating support is provided to organizations that have an established relationship with McNerny Foundation.**

### **III. Additional Information**

#### *a. Board of Directors*

In order to be successful in accomplishing its purposes, a charitable organization generally must have community and business support, rather than relying solely on foundations or government funding.

For this reason the Distribution Committee pays particular attention to how active members of an organization’s Board of Directors are in carrying out their responsibilities to the organization.

In the interest of public causes, McNerny Foundation has long required that all (100%) directors make a personal annual financial contribution, at some level, to the support of the organization; in addition to participating in fundraising activities. Directors are also required to attend Board meetings, volunteer work when needed, and make significant efforts to gain community and business support.

b. School Participation

If the request for funding supports a program that involves school or classroom participation, the applying charity must provide a list of the schools that will be involved in the program along with a letter of support from the schools' principals or teachers who have either committed or are interested in the program. The organization must also provide us with an approximate number of students that will be involved and/or benefiting from the program.

c. Other Factors – General Operating Grants

Some other factors considered in reviewing a proposal for general operating support are:

- the community's need for the applicant's existence in relation to other similar organizations
- reasonableness of applicant's operating budget
- ability of the applicant to obtain funding and sustainability for organization

#### **IV. Foundation Deadline Dates**

**Currently there are NO deadlines dates when submitting grant proposals for General Operating Support. The Distribution Committee normally has four meetings during its fiscal year to consider grant requests.**

Proposals are submitted online, and are reviewed chronologically when grants administration is preparing for a meeting. An incomplete proposal will lose its chronological position because the application is returned, and not reviewed or processed until all missing documents and information is re-submitted. The application is then dated with the last date of when the proposal is complete.

There may be times due to unforeseen circumstances, unusually high/low volume, or incompleteness that a request may not be reviewed in time for the intended project. An average of four months (120 days) is usually required to process a proposal, allowing for a possible site visit and for studying the proposal in relation to other activities of the Foundation.

*Applicants are notified in writing of the action taken on their requests. The Foundation receives more requests for assistance than its funds permit supporting. However, normally, all applications are considered, and each is acted upon according to its current and projected relative merit, provided it is in keeping with the deed of trust.*

**NOTE: Although not ordinarily required, an audited financial statement may be requested if circumstances warrant.**

#### **Contact Information for the McNerny Foundation (Toll-free from Neighbor Islands 1-800-272-7262):**

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