WORLD FOOTPRINT FOUNDATION

GRANTMAKING POLICY & DUE DILIGENCE GUIDELINES

Policy Number: 2026-04

Effective Date: Upon adoption by the Board of Directors on October 20th, 2026

Governance Scope: Restricted & Endowment Grants

Status: Approved by the Board (Version 1)

I. PURPOSE & FIDUCIARY OBJECTIVES

The purpose of this Grantmaking Policy is to establish clear, rigorous standards for the evaluation, approval, disbursement, and stewardship of charitable grants made by the World Footprint Foundation (the "Foundation"). This policy ensures strict compliance with Section 501(c)(3) of the Internal Revenue Code (IRC), representations made in the Foundation's IRS Form 1023 exemption application, applicable Delaware nonprofit laws, and the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

The primary grantmaking priority of the Foundation is the capitalization of restricted, perpetual sustainability endowments for frontline charitable healthcare and educational organizations, providing the structural capital required to ensure permanent community resilience under the "Carnegie Model" of philanthropy.

II. GRANTEE ELIGIBILITY & THE DOMESTIC REGISTRATION MANDATE

1. **US 501(c)(3) Public Charity Status:** In accordance with representations submitted to the Internal Revenue Service, Foundation grant disbursements shall be made exclusively to organizations that are formally organized under the laws of the United States (or any State or the District of Columbia), recognized by the IRS as exempt from federal income tax under IRC Section 501(c)(3), and classified as public charities under IRC Section 509(a)(1), 509(a)(2), or 509(a)(3).
2. **Organizations Operating Overseas (International Programs):** The Foundation may fund charitable healthcare or educational activities conducted internationally, provided that the direct recipient of the grant is a recognized US-registered 501(c)(3) public charity (for example, a US-incorporated international non-governmental organization or a domestic "Friends of" organization) that maintains sovereign governing authority and operational discretion over its overseas programs.

3. **Conduit Financing Prohibited:** The Foundation shall not act as a conduit for earmarked donations to any individual or foreign entity. In compliance with IRS Revenue Ruling 63-252 and Revenue Ruling 66-79, the Foundation's Board of Directors retains absolute discretion, control, and final approval over the selection of all grantees and the allocation of all grant funds.

4. **Future Direct Foreign Granting Reservation:** The direct disbursement of grants to foreign grassroots entities not recognized as US 501(c)(3) public charities is deferred. Before undertaking direct cross-border grantmaking to foreign non-profits, the Board of Directors must formally adopt an Expenditure Responsibility or Equivalency Determination Protocol in conformity with Treasury Regulation § 1.501(c)(3)-1 and applicable IRS revenue procedures.

III. PRE-GRANT DUE DILIGENCE & VERIFICATION PROTOCOL

Prior to the approval or disbursement of any grant, Foundation staff or appointed officers shall complete and document the following due diligence checks:

1. **IRS Tax-Exempt Verification:** Direct verification of the prospective grantee's current public charity status utilizing the IRS Tax Exempt Organization Search (TEOS) database or Candid (Guidestar) database, confirming active exemption and no revocations.

2. **OFAC & Anti-Terrorism Compliance Screening:** Verification that neither the prospective grantee organization, its senior executives, nor its governing board members appear on the Specially Designated Nationals and Blocked Persons (SDN) List maintained by the US Department of the Treasury's Office of Foreign Assets Control (OFAC), or other prohibited lists under Executive Order 13224.

3. **Governance & Financial Review:** Review of the grantee's current Form 990 filings, audited financial statements (if available), operational budget, and governing board composition to verify institutional capacity and fiscal stability.

4. **Institutional Alignment:** Verification that the proposed use of funds directly advances health, education, disaster preparedness, or poverty alleviation, consistent with the Foundation's core exempt purposes.

IV. ENDOWMENT GRANT STRUCTURING & 100% PASS-THROUGH DISBURSEMENT

1. **Mandatory Restricted Endowment Grant Agreement:** Every endowment grant shall be conditioned upon the mutual execution of a formal Restricted Endowment Grant Agreement, signed for the Foundation by an independent

officer (the Secretary or the Treasurer). This agreement legally binds the grantee to:

- **Capital Preservation & UPMIFA Compliance:** Maintain the grant principal in perpetuity as restricted endowment corpus, enforcing an annual distribution ceiling of 5.0% calculated on a multi-year rolling average fair market value. If the endowment's value falls below its historical baseline corpus, the grantee reduces distributions to not more than 1.0% (or 0.0% if prudent) until the corpus is restored.
- **Segregated Custody:** Deposit and maintain the endowment corpus in a dedicated, segregated institutional custodial account registered solely in the legal name of the grantee non-profit at an independent, qualified US institutional custodian (for example, Interactive Brokers LLC or Charles Schwab).
- **Annual Fiduciary Reporting:** Deliver annual written fiduciary certifications to the Foundation, including third-party custodial statements verifying corpus balance and annual distribution compliance.

2. **The 100% Pass-Through Rule:** In alignment with the Foundation's Gift Acceptance Policy (Version 2, Policy No. 2026-01-A), 100.0% of Board-approved restricted endowment grant funds (awarded pursuant to independent Board review of non-binding donor recommendations) shall be disbursed directly into the grantee's segregated custodial account. The Foundation prohibits deducting any administrative retention, overhead, or management fee from restricted endowment principal.

V. GRANTEE AUTONOMY & ANTI-TYING PROTECTIONS

1. **Sovereign Choice of Providers:** Grantee organizations retain absolute autonomy and sovereign discretion regarding the management of their endowment funds, including the internal investment of assets or the retention of any registered investment adviser, broker, or custodian of their choice.
2. **Anti-Tying Mandate:** The receipt, approval, or disbursement of grant funds from the Foundation is independent of, and shall never be conditioned upon, linked to, or contingent upon, the grantee retaining The Footprint Collective LLC or any specific commercial service provider.
3. **Educational Resource Disclaimer:** Any educational materials the Foundation provides to grantees, including the unranked Adviser Evaluation Checklist, investment policy templates, and similar due-diligence guides, are neutral

educational resources designed to assist volunteer boards. They do not score, rank, price, or recommend any provider. They disclose the Foundation's Director affiliation with The Footprint Collective LLC. Grantees are under no obligation to use these resources or to retain any provider.

VI. POST-GRANT MONITORING & REMEDIES FOR DIVERSION

1. **Compliance Auditing:** The Foundation's Treasurer and Investment Committee shall review annual grantee custodial statements to verify that endowment capital has not been invaded, pledged as collateral, or distributed in excess of the mandatory 5.0% ceiling. Where a grantee has engaged an entity affiliated with a Foundation Director, that Director shall not take part in monitoring that grantee, and independent officers shall perform the review.
2. **Remedies for Breach or Capital Diversion:** In the event a grantee breaches the terms of the Restricted Endowment Grant Agreement, attempts to dissolve the perpetual restriction without judicial cy pres approval, or diverts capital from its charitable purpose:

- **Demand for Rectification:** The Foundation shall issue a formal notice requiring corrective action within sixty (60) days.
- **Injunction & Clawback Rights:** If uncorrected, the Foundation shall exercise its contractual right to seek immediate injunctive relief and require the return of the unspent principal corpus, or the re-direction of the funds to another qualified US 501(c)(3) partner organization advancing similar healthcare or educational purposes.

CERTIFICATE OF ADOPTION

I, **Inés Elvira Londoño**, Secretary of the World Footprint Foundation, certify that the foregoing Grantmaking Policy & Due Diligence Guidelines were duly adopted and ratified by the Board of Directors of the Foundation at a duly convened Special Meeting of the Board of Directors held on October 20th, 2026, and that said policy remains in full force and effect.

IN WITNESS WHEREOF, I have executed this Certificate as of October 20th, 2026.

(Signed original on file with the Foundation)

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Inés Elvira Londoño, Secretary

World Footprint Foundation

REVISION HISTORY

Version	Adoption Date	Summary of Policy Framework
1	10/20/26	Initial adoption of Grantmaking Policy & Due Diligence Guidelines (Policy No. 2026-04). Establishes the US 501(c)(3) domestic grantee mandate (aligned with Form 1023 representations), OFAC screening, conduit prohibitions, 100% endowment pass-through rule, anti-tying protections, neutral educational resources, and UPMIFA monitoring.