

August 2010  
The Arthur M. Blank Family Foundation

## **Anti-Terrorism Financing Guidelines**

*Adapted from MacArthur (<http://www.macfound.org/site/c.1kLXJ8MQKrH/b.940133/>)*

Organizations receiving funds from The Arthur M. Blank Family Foundation and its affiliated funds must agree that Foundation grant funds will be used in compliance with all applicable anti-terrorist financing and asset control laws, regulations, rules and executive orders, including but not limited to, the USA Patriot Act of 2001 and Executive Order No. 13224.

The Foundation is required by United States law to ensure that none of its grant funds are used directly or indirectly to assist in, sponsor, or provide support for acts of terrorism or to support organizations or persons listed as terrorists on lists maintained by the United States government, the United Nations, the European Union, and other entities.

Organizations receiving funds will indicate compliance as part of signing the Foundation's grant award letter. Attachment 1 (below) provides further information to assist grantee organizations in fulfilling their obligations under this paragraph.

### **Information Regarding Compliance with U.S. Anti-Terrorism Financing Rules**

Under applicable law, the Foundation and other charitable organizations in the United States face serious penalties and potential criminal liability if grant funds are used (i) to assist in, sponsor, or provide support for acts of terrorism or (ii) to support persons or organizations that have been identified as terrorists or terrorist groups. See USA Patriot Act of 2001 and U.S. Executive Order 13224 (Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism). (See Note \* below)

The Foundation has established procedures to ensure compliance with applicable law, avoid mistakes based on inaccurate information, and help grantees understand their responsibilities.

The Foundation monitors the status of nonprofit organizations through the Guidestar database and tracking system. Guidestar continually monitors reports from the United States Department of Treasury's Office of Foreign Assets Control and flags entries in the Guidestar database as homeland security issues surface.

The United States has not established a single list for a charitable organization to check and, with the exception of the Voluntary Guidelines (described in Note \*), has not provided substantial guidance to charitable organizations. The establishment, maintenance, and accuracy of the lists differ.

An organization may wish to consult with legal counsel to determine what steps it should take to comply with applicable law.

Because of the manner in which the lists are created and maintained and the similarity in surnames or portions thereof, the Foundation recognizes there can be mistakes on the list or the list checking can create "false positives" (i.e., names of grantees that appear to match in whole or in part with names on a list, but that after inquiry prove not to be the same person or organization). The Foundation is committed to working with its grantees to address any issues that may arise during this process.

In the unlikely event that questions arise from the Foundation's due diligence in this area, the Foundation will seek to ensure that the information is accurate before taking further actions. If a grantee believes a mistake has been made with respect to any list, it should notify the Foundation. In the event of a mistake, the Foundation may provide assistance to the grantee seeking to rectify the mistake.

*Below adapted from Mott*

<http://www.mott.org/resources/regrantingcompliance.aspx>

<http://www.mott.org/resources/patriotact.aspx>

## **Re-granting**

Pursuant to the provisions of Executive Order 13224 and the USA PATRIOT Act, The Arthur M. Blank Family Foundation and its affiliated funds require all organizations doing re-granting with the Foundation to check the terrorism watch lists issued by the U.S. government and to refrain from providing financial or material support to any listed individual or organizations. The conditions are part of grant agreements with organizations re-granting Foundation funds.

The list-checking requirement applies to grantees that make their own grants to other individuals or organizations, using proceeds of a Blank Foundation grant. Grantees who only subcontract with Foundation funds, as opposed to re-granting funds, are generally not required to list-check their contractors.

Below is a list of resources organizations may find useful:

- [Guidestar](#)
- [PatriotAGENT](#)
- [ISTwatch Online](#)
- [WatchDog Pro 5.0](#)
- [Bridger Insight Online \(BIO\) and Bridger Insight XG \(BIXG\)](#)
- Learn [How to Check Directly on the OFAC-SDN site](#) if you have only one or two grantees

**Note** \* For more information on the scope of the issues facing charities under these laws, see Handbook on Counter-Terrorism Measures: What U.S. Nonprofits and

Grantmakers Need to Know (a joint publication of Independent Sector, Council on Foundations, Interaction, and the Day, Berry & Howard Foundation). This Handbook is available on the website for the United States International Giving project of the Council on Foundations ([www.usig.org](http://www.usig.org)), together with other useful information on this subject. The United States Department of the Treasury has also published the U.S. Department of the Treasury Anti-Terrorist Financing Guidelines: Voluntary Best Practices for U.S. Based Charities. The Voluntary Guidelines are also available at [www.usig.org](http://www.usig.org) and the website of the Department of the Treasury ([www.ustreas.gov](http://www.ustreas.gov)). These Guidelines do not have the force of law, but do reflect the views of the U.S. Department of the Treasury regarding best practices with respect to these issues. Among other steps suggested, the Voluntary Guidelines suggest that all U.S.-based charities be able to demonstrate that their grantees do not appear on any list of the U.S. government, the United Nations, or the European Union identifying the grantee as having links to terrorism or money-laundering.