

Grants Compliance Team - Protocol for International Grants

Wikimedia Foundation - Revised December 28, 2012

Purpose:

In order to exercise appropriate pre and post grant review of international grants and to avoid criminal and civil penalties under the laws of the United States, the Wikimedia Foundation (WMF) grants compliance team¹ will use this protocol to ensure that international grants are expended for charitable purposes, that the Wikimedia Foundation has exercised fiscal responsibility and those responsible for receiving, executing and reporting on the grant have been reviewed under Executive Order 13224, the USA Patriot Act, its reauthorization and related laws.

Protocol - Pre Grant Eligibility:

1. Any individual or entity requesting funding from the Individual Engagements Grants Program, the Wikimedia Grants Program or the Fund Dissemination Committee (FDC) will need to disclose the name and sufficient identifying information of Board members and any individual(s) who will have significant involvement in receiving, executing or reporting on the grant.
2. Upon receiving this information, a member of the grants compliance team will do a search:
 - a. of publicly available information to determine if grantee² is suspected of activity relating to terrorism, including terrorist financing or other support.
 - b. of the OFAC master list of Specially Designated Nationals.
 - c. Receive certification from the grantee to certify that they do not deal with any individuals, entities, or groups subject to OFAC sanctions or any other persons known to the grantee to support terrorism or to have violated OFAC sanctions.
3. If a grantee is found to be not in compliance with either section a, b, or c above then they will not be eligible to apply for funding from the Funds Dissemination Committee or the Wikimedia Grants Program until such matters are resolved to the satisfaction of the grants compliance team.

Protocol - Post Grant Financial Review:

1. Within three months after the completion of a grant from the Individual Engagements Grants Program, the Wikimedia Grants Program or Funds Dissemination Committee, grantees will submit a grant financial report for review by the grants compliance team.

¹ The grants compliance team consist of the Chief of Finance and Administration and the Senior Accountant.

² Grantee for the purposes of this document is defined as the organization requesting the grant, key employees, members of the governing board, or other senior management.

2. The grants compliance team will review reports for:
 - a. Completeness of financial reporting and compliance with their grant agreement.
 - b. Adherence to using the grant funds as specified in their grant proposal.
 - c. Using funds for charitable purposes.
 - d. Any information that the grantee has dealt with any individuals, entities, or groups subject to OFAC sanctions or any other persons known to the grantee to support terrorism or to have violated OFAC sanctions.
 - e. That the grant was not used for legislative or political activities, unless legislative activities were specifically allowed in the grant.
3. Any grantee financial report that does not pass review by the grants compliance team will be required to bring the financial report into compliance with the request of the grants compliance team and will not be eligible for additional funding from the Wikimedia Foundation until all financial reporting requirements are met.
4. Any grantee found to be in violation of use of funds for charitable purposes, has dealt with any individuals, entities, or groups subject to OFAC sanctions or any other persons known to the grantee to support terrorism or to have violated OFAC sanctions will not be permitted to receive funding from the Wikimedia Foundation until such time as the grantee can demonstrate to the grants compliance team that the grantee has sufficient controls in place to prevent such violations in the future and that it is permitted under the laws of the United States.
5. All grants of \$50,000 or more and/or any grantee not in compliance with their grant agreement will be reviewed by the grants compliance team for an [on site financial review](#).
 - a. Three to five grantees will be selected per fiscal year for financial review site visits, with the goal to do site visits of all active FDC grantees at least every three years.³
 - b. The purpose of the site visits will be to do a financial review that verifies completeness of the grantee financial report, adherence to their grant agreement, use of funds for charitable purposes, accountability for equipment and other fixed assets purchased with grant funding, separation of duties, internal controls and review of the grantee's procedures for ensuring compliance with anti-terrorist and anti-money laundering laws.
 - c. The site review team will consist at a minimum of the Chief of Finance and Administration or the Controller and one member of the Grantmaking team, and/or a member of the Funds Dissemination Committee or the Grants Advisory Committee.
6. Any grantee that fails its on site financial review will not be eligible for funding from the Wikimedia Foundation until a correction plan has been submitted and implemented to the satisfaction of the grants compliance team and it is permitted under the laws of the United States.

³ This level of frequency was recommended by KPMG at the presentation of their report "Overview of International Grantmaking" on November 10, 2011 and site visits are recommended as part of the 2007 "Risk Matrix for the Charitable Sector" (Risk Matrix) issued by the United States Treasury department.