

## **Maine National Guard Foundation Fund Standard Operating Procedures**

This is effective 1 June 2011 and does not affect any past loans/grants on file.

### **1. PURPOSE:** The use of The Maine National Guard Foundation Fund is as follows:

a. The Maine National Guard Foundation (Fund) is organized exclusively for charitable purposes to provide needed financial assistance to members of the Maine National Guard and their families and to those residents of the State who are members of the Reserves of the Armed Forces of the United States and their families. The Fund may also financially assist active component members and their families when the active component relief system does not respond in a timely or adequate manner during times of special or unexpected need.

b. Further, the Fund may assist service connected, medically discharged service members of the Maine National Guard, which is capped at a lifetime limit of \$1,000. This cap may be waived in extreme circumstances.

c. Within the limits of I.R.C. §501c (3), the Fund may also assist returning Soldiers and their families with accommodations and other appropriate costs during their mobilization and demobilization, without individually assessing need.

d. Notwithstanding any contrary provision of the second amended bylaws, any contributions to the Fund provided by the State through the sale of the Yellow Ribbon Licenses or Maine State Tax Refund contribution will be distributed consistent with any guidance of the statutory Advisory Committee. In the absence of guidance from that Committee, these funds shall be distributed in accordance with the second amended bylaws.

e. The Fund shall administer any bequests or contingent gifts consistent with the wishes of the testator or grantor as long as those wishes are not inconsistent with the general charitable purposes of the Fund or contrary to law.

### **2. STRUCTURE:**

a. The Maine Foundation Fund is a non-profit corporation and is administered by an independent Board of Directors. It is neither an appropriated fund nor a non-appropriated fund.

b. The Board of Directors, appointed by the Adjutant General, reviews applications for financial assistance. The Family Program Director may approve grants and bridge loans up to \$500.00. A majority vote by the council is needed before an award over \$500.00 can be made.

### 3. FUND SOURCES:

a. Combined Federal Campaign, United Way, both in the Augusta area and Bangor area.

b. Military Relief Fund which was created by the State Legislature for proceeds from the sale of the Yellow Ribbon License Plates and as a temporary repository for the donations from the Income Tax Voluntary Check off. Money is temporarily held in this State account and then transferred to the Maine National Guard Foundation Fund.

c. Donations will comply with I.R.C. §501c (3).

d. Grants do not require repayments; however, individuals who receive funds are encouraged to make donations when they find themselves in a better situation.

### 4. Use of Fund monies:

a. The following are examples of emergency situations which constitute appropriate use of grant monies:

- (1) Shelter
- (2) Emergency Home repairs/appliances
- (3) Utilities
- (4) Vehicle repair
- (5) Medical emergencies
- (6) Travel expenses in crisis

b. The following examples are not **normally** considered appropriate for this fund:

- (1) Legal fees
- (2) College loan payments
- (3) Vacations

### 5. Limits of Emergency loans/grants: Note- All Grants and bridge loans are based on financial need.

a. **Catastrophic Situations:** Special Grant Consideration – Maine military families who experience death of a service member, Very Serious Injured service members, loss of an immediate family member or other catastrophic emergency deemed appropriate by command. Grants of this nature have no specific dollar limit; however, amounts over \$5,000 require JAG & TAG review prior to final approval.

b. **Mobilized/Deployed Individuals** (defined as service members called to duty to serve OCONUS): Grants may be awarded up to \$3,000 - Service members may receive financial assistance when faced with a financial emergency they cannot manage on their own. Any circumstances higher than this must be approved at TAG level.

c. **Non deployed status military members:** Up to \$2,000 Grants – Service members who are not mobilized/deployed may receive financial assistance when faced with a financial emergency that they cannot manage on their own. Any circumstances higher than this must be approved at TAG level. Dependent family members need to understand that service member must be informed of grants.

d. **Bridge loans** (up to \$2,000)– a loan will only be given when an individual can repay the entire amount within a defined period not to exceed a 90 day period. Example of use: Pay issue, bonus scheduled, insurance repayment, etc. Service members in receipt of a bridge loan cannot also request a grant for the same emergency. Bridge loans will be requested by the service member, not the family member. In the absence of the service member, an email or verbal approval is authorized. Ultimately, the service member is held responsible for repayment.

e. Service members who receive grants are not eligible for additional grants for a 24 month period except for catastrophic situations outlined in 5a above.

**6. PROCEDURES:** The following steps will be taken to request funds:

**Step1:** Interview/counsel. The Command will review the situation with the individual and seek professional help as needed. MENG Personal Finance Counselor (PFC) or other resources may be appropriate for face to face or telephonic visit. Things to consider:

-What is the emergency?

-Will this situation be fixed with a grant or is it a temporary fix to a bigger issue?

-Can a finance professional help enhance financial maturity to resolve this issue or allow individual financial growth?

-What are the circumstances that led to emergency?

-What other resources have they attempted to utilize? (savings, outside agencies, professional services)

**Step 2:** Service member or dependent family member must fill out the MENG Foundation Fund Request form (see appendix A). The following information needs to be included to be considered:

-Copies of bills that request is for.

-Account #s & phone numbers as appropriate if needed to make payment. Payments are made directly to the vendor, not the individual, as often as possible.

**Step 3:** Unit of assignment will review request, recommend approval/disapproval, validate to the best of their ability and seek local help for the individual when available.

**Step 4:** Higher Commands will review application, recommend approval/disapproval and forward the request to the Family Program Office.

**Step 5:** The Family Program office will review request, forward to the council via email, telephonic, or at a quarterly meeting. Name of individual will not be disclosed to the entire council. When approval/disapproval has been determined, the family program will contact the Major Command and make arrangements for the funds to be disbursed to individual or vendor.

## **7. RECORDKEEPING:**

a. A monthly report will be sent to each Major National Guard Command with the status of each service member who has received funds through the Foundation Fund.

b. It is the unit's responsibility to counsel the service member on any overdue accounts and report back to the Family Program Office thru the chain of command of any circumstances that will impact the service member's ability to repay the loan.

c. If a service member can not repay his/her debt to the Foundation Fund, the command will request in writing a request to excuse the loan. The council has the authority to approve/disapprove such request.

d. If no payment or response is received after all the above steps are taken, the council may turn the loan over to a collection agency.

## **8. LOAN REPAYMENT.**

a. Loans can be repaid with allotment, direct deposit, cash transfer (bank to bank), personal check, cash, or money order. Checks will be made payable to: MENG Foundation Fund and mailed to: DVEM, Attn: Family Program Office, State House Station #33, Augusta, Maine 04333-0033.

b. As payments are received, they will be annotated on the Foundation Fund Debt Worksheet. When the loan is completely paid back, the loan agreement will be marked paid in full and filed. A copy of the Foundation Fund Debt Worksheet will be forwarded to the individual.

c. A copy of all closed loan paperwork will be maintained in the Family Program Office for three years due to possible Internal Revenue Service audit. At the end of this time, all record of the loan will be destroyed.