



## FINRA Investor Education Foundation Grant Guidelines

### FINRA Investor Education Foundation Mission

Established in 2003, the FINRA Investor Education Foundation is a natural outgrowth of FINRA's long-standing mission to protect investors and uphold the integrity of the markets. Investors need a better sense of what they are doing and why. At the Foundation, we meet this need by funding innovative research and educational projects aimed at segments of the investing public who could benefit from additional resources.

### Eligibility

The Foundation will award grants to entities designated as tax-exempt according to Internal Revenue Code Section 501(c)(3) and state and other public colleges and universities. The Foundation accepts grant proposals from persons of any race, color, creed, age, sex, disability, and national or ethnic origin.

The Foundation will **not** award grants to:

- Individuals
- Organizations affiliated with a current director, officer or staff member of the Foundation
- Organizations affiliated with any person involved in the review or approval of grants or the organization that employs such a person
- Organizations affiliated with a current member of the FINRA Board of Governors
- Securities firms regulated by FINRA
- Organizations affiliated with a securities firm or individual regulated by FINRA, such as a foundation established by a securities firm
- Securities regulators, self-regulatory organizations or securities industry trade associations
- Organizations that are "disqualified persons" pursuant to Article III, Section 3(d) of the FINRA By-Laws
- Organizations prohibited from receiving grants pursuant to the Order dated September 2, 2005 in *SEC vs. Bear Stearns & Co., Inc. et al.*, Civil Action Nos. 03 Civ. 2937 - 2948 (WHP) and Civil Action Nos. 04 Civ. 6909 - 6910 (WHP)
- Organizations that discriminate on the basis of age, color, disability, marital status, national origin, race, religion, sex, sexual orientation, or veteran status

### Grant Priorities

Of particular interest to the Foundation are projects that:

- Expand the body of knowledge and/or provide practical materials that will have a positive impact on investor education or protection
- Research methods to improve disclosure to investors about investments and financial services
- Encourage investors to check the background of financial professionals prior to doing business with them
- Empower the nation's young people that are about to enter the workforce to better prepare for retirement and to meet other financial goals
- Better prepare older Americans for handling their finances during retirement
- Encourage women and minority populations to take control of their financial future through investor education

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- Advance practice, policy, and thought in the fields of investor education and protection

### Types of Projects

The Foundation seeks to fund projects that advance its mission through:

- **Educational projects or programs.** Funding is for programs that respond to an unmet investor education or protection need for a target audience.
- **Research.** Funding is for research that expands the body of knowledge and offers solutions in the field of investor education and protection.
- **Combination of research and educational program.** Funding is for initiatives that lead with a research element and follow with a high-impact investor education or investor protection project based upon the results of the research.

### Types of Funding

The Foundation provides for four types of funding:

- **Directed**  
These grants are awarded to fund projects initiated by the Foundation in response to specific investor education or protection needs identified by the Foundation. In this case, the Foundation conceptualizes the project, and locates the groups or individuals whose knowledge and experience qualify them to pursue the project, and then provides the funding necessary to accomplish the project objective. Directed grants may be awarded at any time, as projects related to the Foundation's funding priorities are identified.
- **Requests for Proposals**  
The Foundation issues requests for proposals that seek to address the Foundation's funding priorities. A request for proposals may identify a specific issue or target audience or may be general in nature.
- **Unsolicited Proposals**  
These grants typically are awarded in response to unsolicited funding requests from eligible organizations for self-initiated projects that support the Foundation's mission.
- **Targeted Projects**  
The Foundation may initiate educational projects or research in response to specific investor education or protection needs identified by the Foundation. In this case, the Foundation conceptualizes the project, and uses a combination of Foundation-managed programs and directed grants to reach a specific target audience or to address an unmet need in investor education. The Foundation provides the funding necessary to accomplish the project objective. Targeted projects may be initiated at any time, as unmet needs related to the Foundation's funding priorities are identified.

All grants proposals and targeted projects are subject to evaluation by the Foundation's Board of Directors. A request to submit a grant proposal does not guarantee that a grant will be awarded.

### General Grant Criteria

The Foundation seeks proposals that advance its mission and also:

- Present a practical and detailed plan for distributing the project deliverables
- Field test promising ideas and evaluate results or take proven ideas and approaches to scale
- Involve strategic collaboration with partners, including those in the non-profit, public or for-profit sectors
- Are sustainable once Foundation funding ends
- Can easily be expanded or replicated by other organizations
- Use technology wherever possible to reduce the cost and increase availability

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- Expand or leverage programs or materials developed or supported by FINRA, the Foundation, NEFE or the U.S. Securities and Exchange Commission
- Present a project based on research attesting to the relevance of the intended deliverables
- Address whether a behavioral change in the target audience is necessary for the project's success and, if so, how that change will be identified, achieved, and measured
- Substantiate the ability to develop the project on time and within the requested budget

The Foundation will generally **not** consider proposals to fund:

- International programs or projects
- Expenses that are not directly related to the project for which funding is sought
- Salaries of permanent staff (for example, prorated salaries of administrative and executive personnel, or oversight and coordination activities of a project principal). (Note that modest amounts for release time of university professors are acceptable.)
- Capital costs such as building and construction or equipment such as computer hardware and office furniture
- Pass-through funding—for example, if the 501(c)(3) organization plans to turn over the funding to a proprietary organization or consultant
- Projects with a potential conflict of interest (for example where funded technical support or expertise might be provided by a board member of the 501(c)(3) organization)
- Conferences and similar activities that fail to provide a long-term solution or sufficiently broad outreach
- Distribution methodologies that require ongoing maintenance when the ability to perform upkeep without continued funding is questionable. For example, materials with a short “shelf life” that would require ongoing funding for frequent updating
- Projects with proprietary elements, such as for-profit activities, use or purchase of copyrighted or trademarked materials, and proprietary research
- Lobbying, political contributions, fund-raising events, or other similar activities designed to influence legislation or intervene in political campaigns
- Donations, endowments, challenge grants, matching funds, and other similar programs
- Direct or matching payments to members of the public, such as scholarships, assistance with personal and family financial difficulties, registration fees for conferences and training, or similar activities

### **Grant Amounts**

There is no set minimum or maximum grant amount. In considering grant requests, the merits of the proposed project are the primary focus.

### **Distribution of Grant Funds**

Award of funding is contingent upon successful negotiation of a grant agreement within a reasonable time. If a grantee and the Foundation cannot successfully negotiate a grant agreement within a reasonable time as determined by the Foundation, the funding will not be released. After a grant agreement is executed, funds will be awarded in installments contingent upon performance and actual expenses, not to exceed the grant amount.