

DIANA DAVIS SPENCER FOUNDATION, INC.
EIN 20-3672969
Exhibit A to Form 8940 and Form 1023, Schedule H

Individual Grants Program Procedures

About the Foundation

The Diana Davis Spencer Foundation, Inc. (the “Foundation”), a Delaware non-stock, non-profit corporation, was established in 2005 and is organized as a non-operating private foundation under Section 501(c)(3) of the Code. The Foundation espouses the values upon which the United States of America was founded: “duty, honor, freedom, individual responsibility, and the work ethic.” The mission of the Foundation (the “Mission”) is as follows: “The mission of the Foundation is to promote entrepreneurship, self-reliance, global understanding, free enterprise, and to enhance the quality of life by supporting the arts, education, health advancements, and preservation of the environment.” The Foundation also supports the promotion of national security as an integral component of the values of duty and freedom. The Foundation is one of the successor organizations to the Shelby Cullom Davis Foundation and is proud that its innovative grantmaking is a tribute to the work of its predecessor.

Individual Grants Made by the Foundation (Form 1023, Schedule H, Section I, Lines 1a, b)

The Foundation will award grants for fellowships and/or other activities and products in support of the Mission:

- Study, writing, teaching, lecturing, and/or research at an educational institution, governmental agency, or public charity;
- Development of curriculum, initiatives, or programs within an educational institution, governmental agency, or public charity;
- Development of and/or presentations at a symposium;
- Writing and publication of articles, books, treatises, policies, procedures, white papers, or other publications in print or electronic media;
- Transcription, recording, and/or filming of interviews and other content regarding activities in support of the Mission;
- Travel to national and international locations to visit institutions, programs, and/or persons involved in activities in support of the Mission; and/or
- Other activities serving to broaden the understanding of the grantee regarding the Mission, and which would make a contribution to the body of knowledge regarding the Mission.

The Foundation shall award the grant directly to an educational institution, governmental agency, or public charity. The educational institution, governmental agency, or public charity shall house the applicant and supervise the progress of the fellowship in accordance with the Monitoring and Evaluation Procedures described herein.

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Eligibility for Individual Grants Program (Form 1023, Schedule H, Section I, Line 3, 4a)

The Individual Grants Program selects its grantees from a diverse pool of applicants identified by the Foundation, who include graduate students, academicians, journalists, policy-makers, practitioners, researchers, scientists, and other professionals in various fields. Applicants must be exceptionally qualified and possess a deep comprehension of their chosen subject area, which is related to the Foundation's Mission, and an established record of academic and/or professional achievements. An applicant must either be currently enrolled in or have completed a graduate degree program, such as a JD, MBA, MPP, MS, or PhD program at an accredited university, and possess at least two years of significant professional or research experience in the applicant's chosen subject area. No applicant who is related to a member of the Selection Committee, or Foundation Trustee, officer, employee, or substantial contributor is eligible for an Individual Grant award.

Grants that the Foundation Will Not Make (Form 1023, Schedule H, Section I, Lines 1a,b)

- Grants for religious purposes.
- Grants to international organizations that do not have a qualified domestic 501(c)(3) representative.
- Grants for lobbying activities.
- Grants for political purposes.
- Grants for purposes outside the Foundation's funding priorities as listed in "Individual Grants Made by the Foundation."

Amount and Duration of Individual Grants (Form 1023, Schedule H, Section I, Lines 4b,c,d)

The Foundation will award grants on an annual basis in an amount commensurate with the expenses of a fellowship as well as funding research, travel, administration, and related expenses. Awards may range from \$60,000 to \$350,000 per year. A grantee will be eligible to receive a set term of renewals appropriate to the scope of the project, subject to funding availability. Payment will be made directly to the host institution, which will be responsible for disbursement to or on behalf of the grantee. A condition of each grant made to support the enrollment of a grantee at an educational institution is that the grant shall be used only for qualified tuition and related expenses within the meaning of Section 117(b)(2) of the Code and for room and board.

Announcement of Individual Grants Program (Form 1023, Schedule H, Section I, Lines 1d, e)

An announcement of the availability of the Individual Grants Program will be posted on the Foundation's website, along with application procedures, in substantially the following form:

"Diana Davis Spencer Foundation is pleased to announce its Individual Grants Program, providing fellowship support to qualified graduate students, academicians, journalists, policy-makers, practitioners, researchers, scientists, and other professionals studying or working in fields related to the Foundation's Mission.

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Qualified applicants will receive a one-year award in an amount commensurate with the expenses of a fellowship as well as funding for research, travel, administration, and related expenses, to engage in one or more of the following activities:

study, writing, teaching, lecturing, and/or research at an educational institution, governmental agency, or public charity; development of curriculum, initiatives, or programs within an educational institution, governmental agency, or public charity; development of and/or presentations at a symposium; writing and publication of articles, books, treatises, policies, procedures, white papers, or other publications in print or electronic media; transcription, recording, and/or filming of interviews and other content regarding activities in support of the Mission; national and international travel to visit institutions, programs and/or persons involved in activities in support of the Mission; and/or engaging in any other activity which would serve to improve the skills or talents or broaden the understanding of the grantee regarding the Mission, and which would make a contribution to the body of knowledge regarding the Mission.

For more information, please refer to the Application Procedures posted on our site.”

Application Procedures (Form 1023, Schedule H, Section I, Line 1f)

Application Procedures will be available on the Foundation’s website. Foundation staff will invite qualified candidates to submit a brief letter of inquiry, accompanied by curriculum vitae, before proceeding with a full proposal. The letter of inquiry should be addressed to: Individual Grants Program Officer, Diana Davis Spencer Foundation, 3 Bethesda Metro Center, Suite 118, Bethesda, Maryland, 20814. Letters of inquiry must be submitted at least sixty (60) days before the next application deadline.

Applicants who are selected to submit a full proposal will submit the complete application to the Selection Committee, Individual Grants Program, Diana Davis Spencer Foundation, 3 Bethesda Metro Center, Suite 118, Bethesda, Maryland, 20814.

Selection Committee (Form 1023, Schedule H, Section I, Lines 6, 7)

The Selection Committee for the Individual Grants Program consists of Diana Davis Spencer, President and Trustee of the Foundation, Abby S. Moffat, Vice President and Trustee of the Foundation, and Kimberly S. LaManna, Trustee of the Foundation. A member of the Selection Committee must be a currently serving Family Trustee of the Foundation, as defined in the Bylaws of the Foundation. In the event of a vacancy on the Selection Committee, the vacant position shall be filled by the unanimous vote of the remaining Committee members. The process for selection of individual grantees complies with the Foundation’s Ethics Policy, a copy of which is attached hereto as Attachment 1. No member of the Selection Committee shall be in a position to derive a private benefit, directly or indirectly, in the event that a certain grant applicant is selected over any other applicant.

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Form of Proposal (Form 1023, Schedule H, Section I, Line 1f)

The full proposal is comprised of the components listed below, accompanied by the Application Form, a copy of which is attached hereto as Attachment 2. The applicant shall submit four (4) copies of the full proposal, bound in a secure package. The proposal is limited to twenty (20) pages in length, excluding the Executive Summary, Budget, Curriculum Vitae, and Letters of Recommendation.

- Two-page Executive Summary of the project consisting of project description, goals and objectives, application to the Foundation's Mission, evaluation process, amount requested, and timeline
- Complete project description, including purpose, goals and objectives, application to the Foundation's Mission, and process for measuring success of project
- Implementation process and timeline, including beginning and ending dates
- Description and role of educational institution, governmental entity, or public charity
- Evaluation process, including expected outcomes, manner in which results will be calculated, and description of funding of project in future years (if applicable)
- Geographic scope of project
- Itemized Budget, including sources of additional funding (if applicable)
- Curriculum Vitae
- Two letters of recommendation from academic and/or professional references
- Appendices

Submission Deadlines (Form 1023, Schedule H, Section I, Line 1f)

There are two cycles each year for submission of applications for the Individual Grants Programs. All application materials must be delivered to the Foundation no later than the submission deadline of January 31 or June 30. All late applications will be returned to the sender without review.

Other Requirements (Form 1023, Schedule H, Section I, Line 5)

Applicants requesting funds from the Foundation must provide a notarized statement that the funds received will be used for the intended purposes of the Individual Grants Program. This requirement shall also apply to the host institution as well.

Grant Agreement: Monitoring and Evaluation Procedures (Form 1023, Schedule H, Section I, Line 5)

A grantee and the host institution will enter into a Grant Agreement with the Foundation setting forth their respective responsibilities under the grant. Individual Grants will be monitored and evaluated to ensure grant funds are properly utilized, in accordance with the following:

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1. written progress report provided by each grantee on an annual basis;
2. summary of use of funds awarded;
3. the manner in which such use fulfilled grant purposes;
4. verification of the report by an appropriate official at the educational institution, governmental agency, or public charity; and
5. final report at the conclusion of the grant period.

Confirmation of Individual Grant's Use for Intended Purposes (Form 1023, Schedule H, Section I, Line 5)

In those instances where the reports submitted or other information (including the failure to submit reports) indicate that all or any part of a grant is not being used for its intended purposes, the Foundation will contact the grantee and conduct an investigation. Such investigation shall include verbal and written responses from the grantee to inquiries from the Foundation as well as corroboration of information by the educational institution, governmental agency, or public charity involved in the project, as applicable. The Foundation will withhold further payments of grant funds until the investigation is complete and the grantee has complied with required reporting.

If the Foundation determines that all or any part of a grant is being diverted from its intended purposes, the Foundation shall take all reasonable and appropriate steps to recover the grant funds and/or to ensure restoration of diverted funds to the purposes of the grant. This would include the pursuit of legal remedies as appropriate under the circumstances.

Retention of Records (Form 1023, Schedule H, Section I, Line 2)

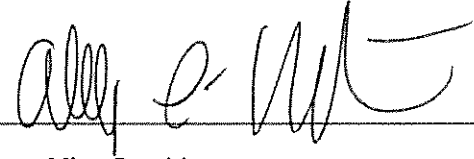
The Foundation shall retain complete records with respect to all Individual Grants awarded, including the following:

1. all information obtained by the Foundation to evaluate the qualifications of potential grantees;
2. identification of grantees (including confirmation that no grantee bears any relationship to a director, officer, or other disqualified person of the Foundation within the meaning of Section 4946(a)(1) of the Code);
3. completed application of each grantee;
4. amount and purpose of each grant;
5. date of each grant payment;

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6. information provided by the grantee and educational institution, governmental agency or public charity, as applicable, as part of monitoring and evaluation procedures to ensure that grant funds are properly utilized and progress has been made to achieve the purpose of the grant;
7. information regarding investigation of jeopardized grants; and
8. any additional information secured in the course of the grant administration process.

The foregoing procedures were adopted by the Grants Committee of the Diana Davis Spencer Foundation Board of Trustees on the 2nd day of September, 2015.



Vice President