IRDF Loan and Grant Policies

These policies are effective May 17, 2020

Policies applicable to all loan applications

1. The IRDF Board of Allocation reviews and recommends funding for all IRDF loans.

2. There are three types of IRDF loans:
   - Micro-Loans: Up to $100K; quarterly payback in 5 years or less
   - Mini-Loans: Up to $250K; quarterly payback in 10 years or less
   - Standard IRDF Loans: More than $250K; maximum loan term is 30 years; payments due quarterly

3. The maximum amount of a loan is determined by several factors, including availability of funds, servicing capability, and terms of the loan.

4. The IRDF Board of Allocation and MIT will always seek to have the loan written at the minimum allowable interest rate. The rate will not be less than 3%.

5. An FSILG house corporation can begin the loan application process by contacting the FSILG Cooperative, Inc. (FCI) at 617-452-4053 or sklemm@fsilg.coop.

6. The loan application should be made out for the entire project. Because renovation projects may also involve educational areas or affect the building envelope, it is recommended that a project grant be investigated along with applying for a loan.

7. The MIT Treasurer has final approval authority for all terms related to loans.

Policies applicable to all grant applications

1. The IRDF Grant Advisory Board reviews and recommends funding for all IRDF project grants.

2. The IRDF Architectural Review Board reviews and recommends reimbursement of costs associated with historic preservation items of the grant.

3. MIT has developed educational area allocations for each FSILG residence based on IRS case law guidance. Educational area allocations are used to determine the fraction of allowable expenses for IRDF grants. The allocations are maintained by the FCI and current copies are kept in each FSILG’s locker. Any request for an allocation change must be directed to the FCI to investigate. Approved allocation changes become effective in the subsequent fiscal year.

4. Grant funds will not be issued until the grantable work is completed.

5. Educational furnishings are expected to last a minimum of 5 years. Replacement of these will not normally be granted within a 5-year time frame.

6. Grant applicants must not be under any type of operational suspension to be eligible for grant approval and distribution. If there is any question relative to suspension, the FSILG Office should be contacted.

7. The FCI will assist FSILG house corporations with grant application submittals. Contact the FCI at 617-452-4053 or sklemm@fsilg.coop.

8. In the event of any dispute, the applicant may appeal to the IRDF Grant Advisory Board.

9. The MIT Treasurer has final approval authority for all terms related to grants.
A. Policies applicable to Minor Project Grants

1. Minor Project Grants are those with a grant request of less than $100,000.

2. The IRDF Grant Advisory Board will establish the level of annual funding that will be available for Minor Project Grants.
   - The total amount available for the subsequent calendar year will be announced to the FSILG community no later than October 1.
   - Requests for Minor Project Grants must be submitted to the IRDF Grant Advisory Board by November 1.
   - The IRDF Grant Advisory Board will notify the applicants by March 1.

3. Since a limited amount of funds are available each year, some grants may be denied. The Grant Advisory Board may also put a cap on a project or limit the percentage of reimbursement for the project.

4. Minor Project Grants may be approved before work starts; however, no additional funds will be granted in the event of a cost overrun. Minor Project Grant funds are distributed after project completion, based on receipts.

5. Minor Project Grants may be partially funded, deferred, or rejected. The following percentages currently apply to grant eligible categories:
   - 40% reimbursement for eligible educational-area-proportional operating expenses (determined by the educational percentage of the FSILG residence)
   - 75% reimbursement for eligible educational items
   - 75% reimbursement for eligible safety items
   - 75% reimbursement for eligible accessibility items
   - 75% reimbursement for eligible historic preservation items

5. Partially funded and deferred requests will be reconsidered for the following fiscal year if the applicant desires.

B. Policies applicable to Major Project Grants

1. Major Project Grants are those with a grant request equal to or greater than $100,000. These grants are evaluated and treated separately from the process for Minor Project Grants described in section A above.

2. Major Project Grant distributions will not exceed 90% of IRDF contributions associated with that FSILG. The remaining 10% will be available for other IRDF programs that benefit the entire FSILG community.

3. The following percentages apply to grant eligible categories:
   - 100% reimbursement for eligible educational-area-proportional operating expenses (determined by the educational percentage of the FSILG residence)
   - 100% reimbursement for eligible educational items
   - 100% reimbursement for eligible safety items
   - 100% reimbursement for eligible accessibility items
   - 100% reimbursement for eligible historic preservation items

4. For Major Project Grants, the following are applicable administrative procedures:
   - Distributions must be completed within 5 years of approval by the IRDF Grant Advisory Board.
   - Grant distribution calculations will be done at “fiscal year boundaries” only after the official closing of MIT’s book for the fiscal year (June 30).

For grants that are associated with a new IRDF loan, the grant amount may be deducted directly from the loan principal.
5. After the conclusion of MIT's fiscal year, each FSILG with an active Major Project Grant can request from the IRDF Grant Advisory Board: (1) the names of IRDF donors whose gifts are associated with that FSILG and (2) the total amount given by those donors. No more detailed data will be provided.

6. After receiving a Major Project Grant, the FSILG must submit an IRDF Annual Certification form each year for 20 years after grant approval, attesting that the project's permitted purposes continue and the building continues to house MIT students. The FSILG Cooperative, Inc (FCI) will forward the form each year to all FSILGs requiring them, and they are due on November 1. If the usage changes before the end of the 20-year period, the IRDF must be reimbursed a pro-rated amount of the total Major Project Grant distribution(s).

C. Policies applicable to annual Educational Operating Grants

1. Educational Operating Grant (EOG) applications must be submitted in actionable form (i.e. substantially complete and correct) within 4 months of the conclusion of the FSILG’s fiscal year. Any subsequent revisions and requests for additional documentation must be completed within 6 months of the conclusion of the FSILG’s fiscal year.

2. Each year, the IRDF Grant Advisory Board establishes a percentage of the full allowable amount for safety and educational expenses. The following percentages are currently in the grant application operating expenses worksheet and apply to operating grant eligible items:
   - 40% reimbursement for eligible educational-area-proportional operating expenses (determined by the educational percentage of the FSILG residence)
   - 75% reimbursement for eligible educational items
   - 75% reimbursement for eligible safety items

Other Information

1. The IRDF is overseen and administered by MIT’s Office of the Vice President for Finance. It should be noted that MIT does not charge the IRDF for any administrative costs.

2. “Before” and “After” photographs are encouraged. Please send to Pam Gannon, pmgannon@mit.edu.